Annual Report as at December 31, 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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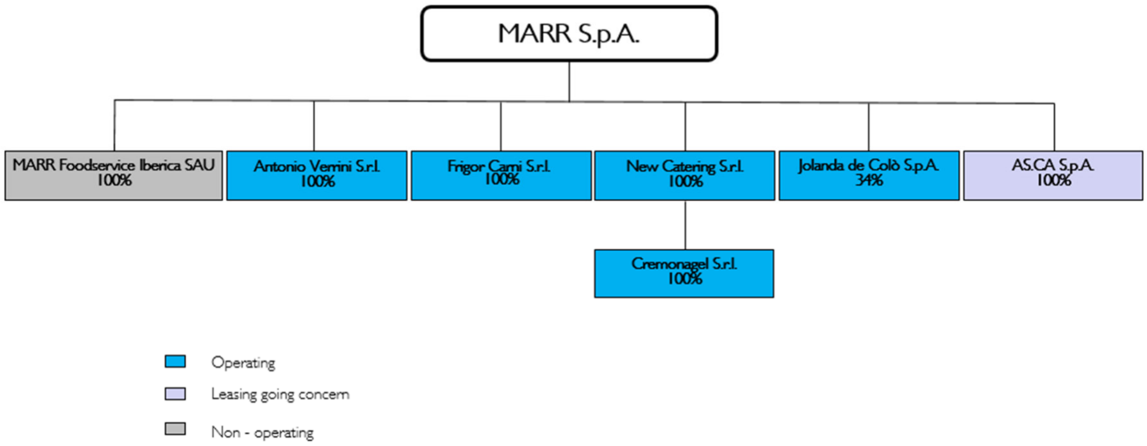
MARR GROUP ORGANISATION

as at 31 December 2023



The structure of the Group as at 31 December 2023 differs from the situation as at 31 December 2022 due to the incorporation on 29 May 2023 of the company Cremonagel S.r.l., wholly owned by the subsidiary New Catering S.r.l.. Cremonagel S.r.l. operates in the wholesale and retail trade of ice cream and frozen foods in the sector of supplies to bars and fast food restaurants and has stipulated on 30 June 2023, with effect from 1 July 2023 and expiring on 31 March 2024, a rental contract for the going concern owned by Cremonagel s.a.s. by Alberto Vailati and based in Piacenza.

The activity of the MARR Group is entirely aimed at the marketing and distribution of food products to the Foodservice, as reported 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.
Cremonagel S.r.l. Street Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Sale and distribution of food products to bars and fast food restaurants.
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..

It should be noted that on 31 January 2024 the notarial deed of dissolution and liquidation of the company MARR Foodservice Iberica S.A.U. was registered in the Madrid Company Register.

As of 31 December 2023, all subsidiaries are fully consolidated.
Associated companies are valued using the equity method.

ADMINISTRATIVE AND CONTROL 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	Alessandro Nova			✔		✔
Director	Rossella Schiavini			✔	✔	✔
Director	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 business year 2023

In application of Legislative Decree no. 38 of 28 February 2005, which implements regulation no. 1606/2002 of the European Parliament, MARR has drawn up these consolidated and separate financial statements in compliance with international accounting standards (International Financial Reporting Standards – IFRS).

The MARR Group closed the 2023 business year with Total Consolidated Revenues of 2,085.5 million euros, an increase of 155.0 million compared to 1,930.5 million in 2022.

Against Total Consolidated Revenues of 2,085.5 million euros, the data of Revenues from Sales for the 2023 business year amounted to 2,051.2 million euros and it must be compared with 1,896.6 million in 2022.

Sales to customers in the Street Market segment (restaurants and hotels not belonging to Groups or Chains) amounted to 1,365.9 million euros, an increase compared to 1,256.8 million in 2022.
Sales to the National Account segment (operators in Chains and Groups and Canteens) amounted to 484.6 million euros, an increase compared to 422.4 million in 2022, thanks to the positive contribution of customers in Chains and Groups of hotels and restaurants.
Overall, the sales to Street Market and National Account clients in the 2023 business year amounted to 1,850.5 million euros, compared to 1,679.2 million in 2022.

On the basis of the findings of the Confcommercio Studies Office (Survey no. 2, February 2024), consumption (by quantity) in "Hotels, meals and out-of-home consumption" in Italy increased by 5.2% in 2023 compared to 2022.

Sales to the "Wholesale" segment (almost entirely frozen seafood products to wholesalers) in the 2023 business year amounted to 200.7 million euros and, compared to 217.4 million in 2022, were affected by lesser product availability, especially in the first half of 2023.

Operating profitability is recovering, with a consolidated EBITDA for 2023 amounting to 123.1 million euros (82.1 million in 2022) and EBIT amounting to 84.9 million (46.2 million in 2022).

The net consolidated result amounted to 47.1 million euros and compared to 26.6 million in 2022, has been affected by the increased net financial charges of 9.7 million as a result of the increase in the cost of borrowing from the second half of 2022.

The Net Trade Working Capital (NWC) as at 31 December 2023 amounted to 170.7 million euros, and is at a similar level to the previous year (169.1 million as at 31 December 2022), with a consequent improvement in the incidence of the NWC on the Total Revenues, which increased by 155.0 million.

The net financial debt as at 31 December 2023 amounted to 223.5 million euros compared to 217.6 million in 2022.
Net of the effects of the application of accounting standard IFRS 16, the Net Financial Position at the end of 2023 amounted to 141.8 million and compared to 138.3 million as at 31 December 2022, was affected by net investments of 26.6 million, of which 17.4 million regarding the new distribution centre in Lombardy, which is expected to start operations in the second quarter of 2024.

In the following table we show the reconciliation between the sales data by type of customer and the revenues from sales and services of the Group as for the consolidated financial statements:

	MARR Consolidated (€thousand)	31.12.23	31.12.22*
	Revenues from sales and services by customer category		
	Street market	1.365.904	1.256.797
	National Account	484.579	422.398
	Wholesale	200.701	217.429
	Total revenues form sales in Foodservice	2.051.184	1.896.624
(1)	Discount and final year bonus to the customers	(21.906)	(18.322)
(2)	Other services	454	298
(3)	Other	244	276
	Revenues from sales and services	2.029.976	1.878.876

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 of 31 December 2022 have been restated in order to maintain comparability with the 2023 classification following the redefinition of the channels on some customers.

Organisation and logistics

The organizational and logistical structure of the MARR Group as of 31 December 2023, with indication of the availability of the properties, is as follows:

Offices, Branches, Distribution Centres and Subsidiaries		
Offices, Branches, Distribution Centres		
Management Offices	Santarcangelo di Romagna (RN)	Property
Marr Battistini e Polo Ittico	Rimini (RN)	Leasehold by parent company Cremonini S.p.A.
Marr Adriatico	Elice (PE)	Leasehold by third party
Marr Arco	Arco (TN)	Leasehold by third party
Marr Fresh Point	Cesenatico (FC)	Leasehold by third party
Marr Bologna	Anzola dell'Emilia (BO)	Leasehold by third party
Marr Calabria	Spezzano Albanese (CS)	Property
Marr Catania	Catania (CT)	Leasehold by third party
Marr Urbe	Roma	Leasehold by third party
Marr Dolomiti	Pieve di Cadore (BL)	Leasehold by third party
Marr Elba	Portoferraio (LI)	Property and leasehold by third party
Marr Genova	Carasco (GE)	Leasehold by third party
Marr Milano	Opera (MI)	Property
Marr Napoli	Casoria and Ischia (NA)	Leasehold by third party
Marr Piacenza	Castel San Giovanni (PC)	Leasehold by third party
Marr Puglia	Monopoli (BA)	Leasehold by third party
Marr Roma	Capena (Roma)	Leasehold by third party
Marr Romagna	San Vito di Rimini (RN)	Leasehold by a company where Marr S.p.A. is stakeholder
Marr Sanremo	Taggia (IM)	Leasehold by third party
Marr Sardegna	Uta (CA)	Property
Marr Scapa	Marzano (PV)	Leasehold by third party
Marr Scapa	Pomezia (RM)	Leasehold by third party
Marr Sfera	Riccione (RN)	Leasehold by third party
Marr Palermo	Cinisi (PA)	Leasehold by third party
Marr Lago Maggiore	Baveno (VB)	Leasehold by third party
Marr Supercash&carry	Rimini (RN)	Leasehold by third party
Marr Torino	Torino (TO)	Leasehold by third party
Marr Toscana	Pistoia (PT)	Property
Marr Venezia	S. Michele al Tagliamento (VE) e Costermano (VR)	Property and leasehold by third party
Emiliani (Fish and Seafood products branch)	Santarcangelo di Romagna (RN)	Property
Marr Sifrutta	Rimini (RN)	Sublease by Marr S.p.A.
Subsidiaries		
AS.CA S.p.A.	Castenaso (BO)	Property
Antonio Verrini S.r.l.	Genova (GE), Ventimiglia (IM), Taggia (IM), Viareggio (LU), Quialiano (SV), Savona (SV)	Leasehold by third party
Frigor Carni S.r.l.	Montepaone (CS)	Leasehold by third party
New Catering S.r.l.	Castenaso (BO), Forlì (FC), Perugia (PG) and Rimini (RN)	Leasehold by: subsidiary company by MARR S.p.A., partent company MARR S.p.A. and third party
Cremonagel S.r.l.	Piacenza (PC), Castelverde (CR)	Leasehold by third party

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 2023, compared to the previous year.

Analysis of the re-classified Income Statement

MARR Consolidated (€thousand)	31.12.23	%	31.12.22	%	% Change
Revenues from sales and services	2,029,976	*97.3%*	1,878,876	*97.3%*	*8.0*
Other earnings and proceeds	55,525	*2.7%*	51,635	*2.7%*	*7.5*
Total revenues [I]	2,085,501	*100.0%*	1,930,511	*100.0%*	*8.0*
Cost of raw materials, consumables and goods for resale	(1,648,295)	*-79.0%*	(1,558,239)	*-80.7%*	*5.8*
Change in inventories	(6,543)	*-0.3%*	10,061	*0.5%*	*(165.0)*
Services	(257,666)	*-12.4%*	(252,775)	*-13.1%*	*1.9*
Leases and rentals	(922)	*0.0%*	(597)	*0.0%*	*54.4*
Other operating costs	(1,751)	*-0.1%*	(2,010)	*-0.1%*	*(12.9)*
Value added	170,324	*8.2%*	126,951	*6.6%*	*34.2*
Personnel costs	(47,253)	*-2.3%*	(44,877)	*-2.4%*	*5.3*
Gross Operating result [II]	123,071	*5.9%*	82,074	*4.2%*	*50.0*
Amortization and depreciation	(20,550)	*-1.0%*	(19,869)	*-1.0%*	*3.4*
Provisions and write-downs	(17,615)	*-0.8%*	(15,970)	*-0.8%*	*10.3*
Operating result	84,906	*4.1%*	46,235	*2.4%*	*83.6*
Financial income and charges	(17,986)	*-0.9%*	(8,245)	*-0.5%*	*118.1*
Result from recurrent activities	66,920	*3.2%*	37,990	*1.9%*	*76.2*
Non-recurring charges	0	*0.0%*	(400)	*0.0%*	*(100.0)*
Result before taxes	66,920	*3.2%*	37,590	*1.9%*	*78.0*
Income taxes	(19,806)	*-0.9%*	(10,999)	*-0.5%*	*80.1*
Taxes relating previous years	20	*0.0%*	(41)	*0.0%*	*(148.8)*
Total net result	47,134	*2.3%*	26,550	*1.4%*	*77.5*

The operational management of the year 2023 recorded total revenues of 2,085.5 million euros against the 1,930.5 million euros of the previous year, a Gross Operating Result (EBITDA [II]) of 123.1 million euros against the previous 82 .1 million euros and an Operating Result (EBIT) of 84.9 million euros compared to 46.2 million euros in the previous year.

Revenues from sales and services stood at 2,030 million euros and compare with the 1,878.9 million euros of 2022 (+8%) and the 1,651.4 million euros of 2019 (+22.9%).
The growth in sales revenues represents a strengthening of MARR's presence achieved in a summer season in which tourist flows in Italy and in particular for the domestic component were below the expectations of sector operators.

[I] 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.

The item Other revenues and income includes 46.8 million euros (43.2 million euros as at 31 December 2022) the amount of contributions received from suppliers for the promotional and marketing activities carried out by the MARR Group for them. The increase in contributions from suppliers is correlated to the rise in costs for the purchase of goods and is a reflection of the increase in sales volumes compared to the previous year.
The item Other revenues also includes 1.6 million euros (3.3 million euros as at 31 December 2022) of income relating to the electricity and gas tax credit accrued by Group companies in relation to the first half of 2023 and 1.9 million euros of income from insured reimbursements relating to the reimbursement of the subsidiary New Catering S.r.l. for 1.4 million euros for the damage suffered in the Forlì unit following the flood events that hit the Emilia Romagna region in May 2023 and for 530 thousand euros for the reimbursement of the Parent Company MARR S.p.A. in relation to the fire that destroyed the MARR Sanremo branch in Taggia (Imperia) on 12 November 2022.

At the first margin level, an improvement is observed due to a lower impact of the cost of goods sold.

The incidence of the cost of providing services also decreased, going from 13.1% in 2022 to 12.4% in 2023, mainly due to a reduction in energy cost tariffs and greater operating leverage linked to the increase in revenues.

Labor costs recorded an increase of 2.4 million euros compared to the same period of the previous year due to the increase in the number of employees. MARR Group employees at the end of December 2023 amounted to 1,010 with an increase of 53 units compared to the end of 2022 (957 employees). The increase of 53 employees is linked to the entry into the consolidation area of the company Cremonagel S.r.l. which includes 20 employees as of 31 December 2023 and the remaining part is connected to hirings carried out mainly by the Parent Company Marr S.p.A. for the strengthening of some company functions.
The percentage impact of labour costs on total revenues was almost unchanged compared to the previous year, which went from 2.4% to 2.3%.

As a result of the increase in revenues, the improvement of the first margin and the reduction in the incidence of operating costs, the gross operating result (EBITDA) stood at 123.1 million euros compared to 82.1 million euros in the previous year.

Depreciation at 31 December 2023 amounted to 20.6 million euros (19.9 million euros at 31 December 2022) and is made up of 12.0 million euros (11.6 million euros at 31 December 2022) of amortization of the right of use connected to lease contracts accounted for according to IFRS16 and for the remaining 8.6 million euros (8.2 million euros at 31 December 2022) of the depreciation of other tangible and intangible assets owned of the Group companies.
The percentage impact on total revenues is unchanged compared to last year, remaining at 1.0%.

The item provisions and write-downs amounts to 17.6 million euros (16.0 million euros at 31 December 2022) and includes 16.8 million euros (15.6 million euros at 31 December 2022) of provisions for write-downs credits, 450 thousand euros of provisions for future risks and 363 thousand euros of provisions for the supplementary customer indemnity fund.

As a result of the above, the operating result (EBIT) stood at 84.9 million euros compared to 46.2 million euros in the previous year.

As regards financial management, there was an increase in the financial charges component due to the increase in the cost of money.

As a result of the above, the result before taxes amounted to 66.9 million euros (38 million euros at 31 December 2022).

The balance of the tax components is negative for a total of 19.8 million euros and the tax rate of 29.6% is in line with that of the last financial year.

The Group's net result reached 47.1 million euros, a clear increase compared to the 26.6 million euros achieved last year.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	31.12.23	31.12.22
Net intangible assets	170,392	170,377
Net tangible assets	101,879	83,899
Right of use assets	77,239	75,368
Equity investments evaluated using the Net Equity method	1,828	1,828
Equity investments in other companies	178	178
Other fixed assets	23,009	16,492
Total fixed assets (A)	374,525	348,142
Net trade receivables from customers	348,678	353,810
Inventories	203,370	209,913
Suppliers	(381,396)	(394,611)
Trade net working capital (B)	170,652	169,112
Other current assets	82,988	77,760
Other current liabilities	(29,808)	(16,828)
Total current assets/liabilities (C)	53,180	60,932
Net working capital (D) = (B+C)	223,832	230,044
Other non current liabilities (E)	(5,093)	(3,751)
Staff Severance Provision (F)	(6,672)	(7,207)
Provisions for risks and charges (G)	(7,665)	(8,221)
Net invested capital (H) = (A+D+E+F+G)	578,927	559,007
Shareholders' equity attributable to the Group	(355,473)	(341,457)
Consolidated shareholders' equity (I)	(355,473)	(341,457)
(Net short-term financial debt)/Cash	115,566	80,827
(Net medium/long-term financial debt)	(257,378)	(219,128)
Net financial debt - before IFRS16 (J)	(141,812)	(138,301)
Current lease liabilities (IFRS16)	(11,826)	(10,813)
Non-current lease liabilities (IFRS16)	(69,816)	(68,436)
IFRS16 effect on Net financial debt (K)	(81,642)	(79,249)
Net financial debt (L) = (J+K)	(223,454)	(217,550)
Net equity and net financial debt (M) = (I+L)	(578,927)	(559,007)

Analysis of the net financial position

Below is the Group's net financial position in accordance with the provisions of Consob Communication no. 6064293 of 28 July 2006 and in accordance with ESMA Recommendation 32-382-1138 of 4 March 2021:

	MARR Consolidated (€thousand)	Note [III]	31.12.23	31.12.22
A.	Cash		17,479	15,257
	Bank accounts		205,927	176,406
B.	Cash equivalent		205,927	176,406
C.	Liquidity (A) + (B)	13	223,406	191,663
	Current financial receivable due to Parent Company		9,818	9,404
D.	Current financial receivable	10	9,818	9,404
E.	Current derivative/financial instruments	7	2	7
F.	Current Bank debt		(44,699)	(15,884)
G.	Current portion of non current debt		(70,082)	(99,838)
	Other financial debt		(2,879)	(4,526)
H.	Other current financial debt		(2,879)	(4,526)
I.	Current lease liabilities (IFRS16)	24	(11,826)	(10,813)
J.	Current financial debt (F) + (G) + (H) + (I)	23/24	(129,486)	(131,061)
K.	Net current financial indebtedness (C) + (D) + (E) + (J)		103,740	70,013
L.	Non current bank loans	16	(157,533)	(119,768)
M.	Non-current derivative/financial instruments	7	126	1,015
N.	Other non current loans	16	(99,971)	(100,374)
O.	Non-current lease liabilities (IFRS16)	17	(69,816)	(68,436)
P.	Non current financial indebtedness (L) + (M) + (N) + (O)		(327,194)	(287,563)
Q.	Net financial indebtedness (K) + (P)		(223,454)	(217,550)

[III] The "Notes" column indicates the reference to the item in the consolidated statement of financial position for the purpose of an accurate reconciliation with same.

Net financial debt at 31 December 2023 stood at 223.4 million euros against 217.6 million euros at 31 December 2022 and recorded an increase of 5.9 million euros, after the payment of dividends of 25.2 million euros, disbursements for the purchase of own shares and investments of 7.3 million euros and 26.6 million euros respectively.

Net of the effects of the application of the accounting standard IFRS 16, the net financial debt at 31 December 2023 amounted to 141.8 million euros and compares with the 138.3 million euros at 31 December 2022.
During the year, financial payables for leases (IFRS16) recorded an increase of 2.4 million euros, of which 1.0 million euros referred to the current portion and 1.4 million euros referred to the non-current portion.

The financial movements that affected the main components of the net financial position are attributable to an increase in cash and current financial receivables of 32.2 million euros against a decrease in current financial debt of 1.6 million euros and an increase in non-current financial debt of 39.6 million euros.

As regards the movement in the structure of the financial debt components linked to loans to credit institutions, it should be noted that during the financial year the Parent Company MARR S.p.A. has repaid installments of medium-long term loans for a total of 101.9 million euros and has subscribed loans for a total amount of 110 million euros, as indicated below:

- On 20 February 2023, a medium-term loan contract of 5 million euros was signed with Credito Emiliano with a 36-month amortizing term with quarterly and a 12-month pre-amortization, with disbursement on the same date. The contract does not include financial covenants.
- On 29 March 2023, a medium-term loan contract of 5 million euros was signed with Bcc Carate Brianza for 54 months, with disbursement on the same date, with quarterly installments and a pre-amortization of 6 months. The contract does not include financial covenants.
- On 18 April 2023, a medium-term loan contract of 10 million euros was signed with Cassa di Risparmio di Bolzano SpA for 48 months in amortizing with quarterly instalments, with disbursement on 19 April 2023.
The contract includes financial covenants.
- On 15 June 2023, a medium-term loan contract of 25 million euros with Intesa Sanpaolo was signed with disbursement on 19 June 2023, with a 48-month amortizing term with half-yearly installments and a 12-month grace period. The contract includes financial covenants.
- On 20 June 2023, a medium-term loan contract of 5 million euros with Banca di Credito Cooperativo RivieraBanca was signed, with disbursement on the same date 20 June 2023, in amortizing terms with quarterly instalments. The contract does not include financial covenants.
- On 29 June 2023, it signed a medium-term loan contract with UniCredit with disbursement on 3 July 2023, for the amount of 30 million euros over 36 months in amortizing terms with six-monthly installments and a 6-month grace period. The contract includes financial covenants.
- On 22 November 2023, a medium-term loan agreement for the amount of 30 million euros was signed with BNL with a 60-month amortizing term with half-yearly installments and a 12-month grace period, with disbursement on the same date. The contract includes financial covenants.

In the context of non-current financial debt, it should be noted that the amount of 99.9 million euros in the item Other non-current debts refers to the unsecured bond (Senior Unsecured Notes) subscribed on 29 July 2021.

As of 31 December 2023, the Group has financial lines of credit in place for approximately 246.6 million euros, of which 179.7 million euros are unused and immediately available and as of the date of this report all financial covenants are respected.

The net financial position as of 31 December 2023 remains in line with the Company's objectives.

Analysis of the Net Trade Working Capital

MARR Consolidated (€thousand)	31.12.23	31.12.22
Net trade receivables from customers	348,678	353,810
Inventories	203,370	209,913
Suppliers	(381,396)	(394,611)
Trade net working capital	170,652	169,112

Net trade working capital at 31 December 2023 amounted to 170.6 million euros (169.1 million euros at 31 December 2022).

Confirming the organization's continuous attention to controlling the levels of absorption of commercial working capital, we can observe how, in comparison with the same period of the previous financial year, in the face of an increase in sales volume, loans to trade receivables have decreased. towards customers and inventories.
In particular, the decrease in the Trade receivables from customers component benefited from the reduction in the average days of collection in the year just ended compared to the previous one.

As regards the Inventory data, there was a decrease linked to better management of inventory rotation.

The attention that the Company reserves for the management of trade credits remains high, implementing methods calibrated to the situations and needs of each territory and market segment. The objective remains that of safeguarding the company's assets while maintaining closeness to the customer which allows on the one hand timely credit management and on the other a strengthening of the relationship with the customer.

Commercial working capital at the end of the year remains aligned with the Company's objectives.

Re-classified cash-flow statement

MARR Consolidated (€thousand)	31.12.23	31.12.22
Net profit before minority interests	47,134	26,550
Amortization and depreciation	20,550	19,869
Change in Staff Severance Provision	(535)	(1,349)
Operating cash-flow	67,149	45,070
(Increase) decrease in receivables from customers	5,132	(32,530)
(Increase) decrease in inventories	6,543	(10,061)
Increase (decrease) in payables to suppliers	(13,215)	13,653
(Increase) decrease in other items of the working capital	4,021	(19,100)
Change in working capital and other change in non-current items	2,481	(48,038)
Net (investments) in intangible assets	(730)	(7,595)
Net (investments) in tangible assets	(25,837)	(11,936)
Flows relating to acquisitions of subsidiaries and going concerns	(2,000)	(4,047)
Investments in other fixed assets	(28,567)	(23,578)
Free - cash flow before changes in shareholders' equity	41,063	(26,546)
Distribution of dividends	(25,068)	(31,119)
Other changes, including those of minority interests	(8,050)	(3,332)
Cash-flow from (for) change in shareholders' equity	(33,118)	(34,451)
FREE - CASH FLOW	7,945	(60,997)
Opening net financial debt	(217,550)	(141,430)
Effect for change in liability for IFRS16	(13,849)	(14,975)
Cash-flow for the period	7,945	(60,997)
Dividends approved and not distributed	0	(148)
Closing net financial debt	(223,454)	(217,550)

Investments

Below is a summary of the investments made in 2023:

(€thousand)	31.12.23
Intangible assets	
Patents and intellectual property rights	606
Fixed assets under development and advances	124
Total intangible assets	730
Tangible assets	
Land and buildings	2,420
Plant and machinery	3,206
Industrial and business equipment	603
Other assets	2,113
Fixed assets under development and advances	17,565
Total tangible assets	25,907
Total	26,637

Investments in intangible assets amounted to 730 thousand euros and concerned the purchase of new licenses, software and applications which have partly entered into operation and partly are still being implemented as of 31 December 2023 and are therefore exposed under the item "Assets in progress and advances".

Investments in tangible assets amounted to 25.9 million euros and mainly concerned the item "Assets in progress and advances" due to the progress of the construction works of the new distribution center in Bottanuco (Bergamo), which is expected may become operational in the second quarter of 2024. As of 31 December 2023, the investments completed in relation to the new unit amount to a total of 25 million euros, of which 17.4 million euros made during the year 2023 and classified by 17, 1 million euros within the item "Assets in progress and advances" and for the remaining 305 thousand euros within the item "Land and Buildings".
This investment is aimed at increasing local presence, the level of customer service and distribution efficiency in what is the most important region in terms of non-domestic food consumption in Italy.

During the third quarter of 2023, the extension of the third floor of the management headquarters in Santarcangelo di Romagna (RN) was completed and became available for use in July, in whose rooms the new company Academy was built. The overall investment was 2.7 million euros, of which 2.3 million euros for interventions relating to the building included in the item "Land and buildings", 178 thousand euros for the purchase of furniture and furnishings and 193 thousand euros for the purchase of electronic office machines, both displayed under the item "Other assets".

Net of the above, the remaining increases relating to the items "Plant and machinery", "Industrial and commercial equipment", "Other assets", concern the modernization and revamping investments implemented mainly on the various branches of the Parent Company MARR S.p.A..

It should be noted that the values of the investments indicated do not take into account the amounts capitalized as right of use following the application of IFRS16 which during the year recorded a net increase for a total of 1.8 million euros.

Research and development activities

The main research and development activities concerned the expansion of own-brand product lines.

Transactions with related parties

In compliance with the provisions of Consob Regulation no. 17221 of 12 March 2010, MARR S.p.A., a company listed on the Mercato Telematico Azionario, Euronext STAR Milan segment of Borsa Italiana S.p.A., has adopted, and subsequently adapted to the subsequent legislation, a Procedure for the management of transactions with related parties (the Procedure), whose objective is to ensure the transparency and substantial and procedural correctness of the transactions that the Company carries out with related parties. The Control and Risk Committee of MARR S.p.A., made up of Independent Directors, carries out the verification and control tasks envisaged by the Procedure and in particular, monitors on a quarterly basis, and therefore more frequently than the six-monthly frequency indicated by the Procedure, the correct application of the exemption conditions envisaged for operations defined as ordinary and concluded at market or standard conditions.
The Procedure is available to the public on the Company's website at www.marr.it/corporate-governance.

Related parties are the subjects defined as such by the international accounting standards (IAS 24) and include controlled, associated, parent and associated companies and the members of the Board of Directors of the MARR Group.

With regard to relationships with subsidiaries, affiliates, parent companies and associated companies, please refer to the analytical indications reported in the notes to these financial statements and, as required by art. 2497 – bis of the Civil Code, we summarize below the types of relationships that have taken place:

Companies	Nature of Transactions
Subsidiaries	Trade and services
Parent Companies - Cremonini S.p.A.	Trade and services
Associated companies	Trade and services
Associated companies - Cremonini Group's companies	Trade and services

With reference to transactions with related parties, and specifically with the parent company Cremonini S.p.A. and the companies controlled by it, reported by name in the following table (Consolidated companies of the Cremonini Group), it should be noted that the value of purchases and sales of goods represented, in the year 2023, 12.69% of the total purchases and 5.28% of the total revenues from sales and services carried out by the MARR Group.

With regard to consolidated purchases from companies of the Cremonini Group amounting to 204.06 million euros (consisting of 148.39 million euros for purchases of goods for production and 55.67 million euros for purchases of goods with distribution service) highlights that 202.8 million euros, corresponding to 99.4%, relate to supply relationships with MARR S.p.A. and for the remaining part from purchases made by other companies of the MARR Group.

In particular, it is noted that the supply relationship with Inalca S.p.A. (Inalca), Fiorani & co. S.p.A. (Fiorani) and Italia Alimentari S.p.A. (Italia Alimentari) expresses itself through continuous commercial purchasing operations in two different ways:
a) MARR carries out purchasing operations for products from the assortment of Inalca, Fiorani and Italia Alimentari (Production purchases);
b) furthermore, MARR entrusts Inalca and Fiorani with the task of also procuring products which are not included in the assortment of said companies and which Inalca and Fiorani purchase from time to time specifically, on behalf of MARR, from suppliers chosen by MARR at in order to complete the range offered to customers. Type, price, quantity, quality, size and other specifications of the products are defined by MARR with the supplier and communicated to Inalca and Fiorani. In execution of the instructions received, Inalca and Fiorani purchase the Products from the suppliers in their own names and resell them to MARR, also arranging for delivery to each MARR Branch or Platform at a price equal to the purchase price agreed by MARR with the supplier and increased by a amount as compensation for the logistics service that Inalca and Fiorani carry out in favor of MARR (Purchases of products with distribution service).

In relation to the purchases that MARR makes from Inalca and Fiorani (equal to a total of approximately 191.5 million euros), the cumulative volume of individual purchases in the year 2023, equal to a total of approximately 135.8 million euros (for purchases of referred to in letter a)) and 55.7 million euros (for the purchases referred to in letter b)), is to be attributed:
as for Inalca

- for approximately 102.8 million euros for production purchases
- for approximately 49.3 million euros for purchases of products with distribution service

as for Fiorani

- for approximately 33.1 million euros for production purchases
- for approximately 6.4 million euros for purchases of products with distribution service

The amounts reported above are the result of the sum of a plurality of individual operations which, carried out in the interest of the Company, fall within the ordinary exercise of operational activity and are concluded at conditions equivalent to market or standard ones in compliance with the provisions of the Procedure for managing transactions with related parties.

The following table shows the economic and financial values for the year 2023 for each related party.

	FINANCIAL RELATIONS						ECONOMIC RELATIONS										
COMPANY	RECEIVEBLES			PAYABLES			REVENUES				COSTS						
	Trade	Other *	Financial	Trade	Other	Financial	Sale of goods	Services	Othere revenue	Financial income	Purchase of goods*** (by production)	Purchase of goods *** (by logistic)	Services	Leases and rental	Other operating charges	Personnell cost	Financial charges
Towards the Parent Company																	
Cremonini S.p.A. (*)	26	12	9,818	620	8,233		2			100			1,501				37
Total	26	12	9,818	620	8,233	0	2	0	0	100	0	0	1,501	0	0	0	37
Towards Associated Companies																	
Jolanda De Colò				32			8				29						
Total	0	0	0	32	0	0	8	0	0	0	29	0	0	0	0	0	0
Towards affiliated(**) Consolidated Companies Cremonini Group																	
C&P S.r.l.	596						1,657										
Castelfrigo S.r.l.				20							104						
Chef Express S.p.A.	8,656				28		44,993	47					1				
Fiorani & C. S.p.a.		4		2,904	1		24		1		33,060	6,396					
Ges.Car. S.r.l.																	
Staff Service S.r.l.		1		466									1,301				
Guardamiglio S.r.l.	6						33										
Il Castello di Castelvetro S.r.l.	11						60										
Inalca Food and Beverage S.r.l.	756			20	1		8,473	165	6		13				10		
Inalca S.p.a.	1	59		10,776			94		10		102,752	49,273	145				
Italia Alimentari S.p.a.		65		651			8				12,466						
Palermo Airport F&B s.c.a.r.l.	151						229										
Poke MXP S.r.l.	3						2										
Roadhouse Grill Roma S.r.l.	758						3,916		7								
Roadhouse S.p.A.	9,955				6		47,490		4				1				
Total Consolidated Companies Cremonini Group	20,893	129	0	14,837	36	0	106,979	212	28	0	148,395	55,669	1,448	0	10	0	0
No consolidated Companies Cremonini Group																	
Le Cupole S.r.l.		3				2,374											78
Scalo S.n.c.	4			85		2,485			32				76				75
Time Vending S.r.l.				(22)							(22)						
Verrini Holding S.r.l.						2,029							9				62

Total No consolidated Companies Cremonini Group	4	3	0	63	0	6,888	0	0	32	0	(22)	0	85	0	0	0	215
Total	20,897	132	0	14,900	36	6,888	106,979	212	60	0	148,373	55,669	1,533	0	10	0	215

(*) The items in the Other Receivables columns relate to the residual IRES receivables for requests of reimbursement regarding to the personel cost not deducted to Irap in the years 2007-2011, transferred to the Parent Company within the scope of of the National Consolidated tax base; the amount in the the other payables is related to the IRES balance of the year 2020.

(**) The total amount of trade receivables and payables are reclassified under "Receivables from customer" and "Suppliers" respectively.

(***) The amount indicated is net of active contributions.

From Other Related Parties																	
Board of Directors of the Company MARR S.p.A.					218		1						673				
Directors of the Company Antonio Verrini S.r.l.					26								135				
Directors of the Company Frigor Carni S.r.l.					8								152				
Total	0	0	0	0	252	0	1	0	0	0	0	0	960	0	0	0	0

Regarding the compensation paid in the 2023 financial year to Managers with strategic responsibilities, please refer to the Remuneration Report which will be published pursuant to art. 123-ter of the T.U.F. and which will be available on the Company website.

Other Information

As of December 31, 2023, the Company does not own, and has never owned during the year 2023, shares or units of parent companies, including through third parties and/or companies. Therefore, during 2023 it did not carry out purchase and sale operations on the aforementioned shares and/or quotas.

As of 31 December 2023 MARR purchased 971,760 treasury shares at an average price of 12.27 euros.

During 2023, the Group did not carry out any atypical or unusual transactions.

Adoption of the ESEF taxonomy (eurosEuropean Single Electronic Format)

Directive 2013/50/EU - which amends Directive 2004/109/EC (so-called "Transparency Directive") - establishes that starting from 1 January 2021, European listed companies must prepare annual financial reports according to the same format single electronic format of communication, known as the European Single Electronic Format (ESEF). The format is a combination of the XHTML (eXtensible HyperText Markup Language) language, for the presentation of financial reports in a format readable by human users, and the XBRL (eXtensible Business Reporting Language) markups. XBRL markups should be embedded in XHTML using the inline-XBRL or iXBRL specifications. The obligation to use the iXBRL saw two implementation phases:
First phase: for the 2021 financial year, the companies involved have tagged, in addition to the basic personal information, all the numbers present in the statements of the financial position, of the profit (loss) for the year, of the other components of the Comprehensive Income Statement, changes in Shareholders' Equity and the Cash Flow Statement.
Second phase: from 1 January 2022, the iXBRL has extended to the disclosure contained in the notes to the consolidated financial statements.
All with the aim of facilitating the accessibility, analysis and comparability of financial statements drawn up according to International Financial Reporting Standards (IFRS).

In compliance with the above, MARR has also drawn up the annual financial report in XHTML format for the year 2023, integrated with appropriate XBRL markings with regard to the consolidated financial statement formats relating to:
- Consolidated financial position
- Consolidated statement of profit/(loss) for the year
- Consolidated statement of other components of the comprehensive income statement
- Changes in consolidated shareholders' equity
- Consolidated cash flow statement
- Notes to the consolidated financial statements.

The compliance of the annual financial report with the ESEF Regulation was verified by the auditing firm PricewaterhouseCoopers S.p.A.

It should be noted that the preparation of the annual financial report in accordance with the ESEF regulation was carried out only for the Italian version of the document. The translation into English of the annual financial report is an unofficial form and therefore not subject to the provisions of Delegated Regulation (EU) 2019/815.

Report on corporate governance and the ownership structure

With regards to the information required by art. 123 bis of the TUF, please refer to the contents of the "Report on corporate governance and ownership structures", drawn up in compliance with current legislation and which is published together with this report on the company's website www.marr.it, Corporate Governance section, as well as made available at the registered office.

It should also be noted that MARR S.p.A. adheres to the Corporate Governance Code of Listed Companies approved by the Corporate Governance Committee.

Significant events during 2023

On 28 April 2023, the Shareholders' Meeting approved the financial statements as of 31 December 2022 and resolved the distribution of a gross dividend of 0.38 euros per share with "coupon detachment" (n.18) on 22 May 2023, record date on 23 May and payment on 24 May. The retained profit was set aside in the Extraordinary Reserve.

The Shareholders' Meeting of 28 April 2023, in relation to the expiry of the corporate bodies, resolved the appointment of the Board of Directors (whose number was confirmed as 7 members with Andrea Foschi as President) and the Board of Statutory Auditors who will remain in office for three financial years and therefore until the Assembly which will be called to approve the budget for the 2025 financial year.
The Shareholders' Meeting also revoked, for the unexecuted part, the authorization for the purchase, sale and disposal of the Company's own shares granted by resolution of the Shareholders' Meeting dated 28 April 2022 and at the same time approved a new authorization for the purchase, sale and disposal of the Company's own shares according to the terms and conditions set out in the resolution proposal approved by the Board of Directors on 14 March 2023 and illustrated in the report available on the Company's website at www .marr.it governance/assemblies section.

The Board of Directors of MARR S.p.A. held at the end of the Assembly: i) confirmed Francesco Ospitali as CEO; ii) assessed the possession of the independence requirements established by law and by the Corporate Governance Code of listed companies for the directors: Giampiero Bergami, Andrea Foschi, Alessandro Nova and Rossella Schiavini.; ii) having taken note of the independence assessment expressed by the Board of Statutory Auditors for its members; iii) confirmed the Control and Risk Committee, composed only of Independent Directors and in particular of Giampiero Bergami and Rossella Schiavini.

On 29 May 2023, the company Cremonagel S.r.l. was incorporated, which stipulated on 30 June 2023, with effect from 1 July 2023, a rental contract for the going concern owned by Cremonagel s.a.s. by Alberto Vailati based in Piacenza and operating in the wholesale and retail trade of ice cream and frozen foods in the bar supply and fast food catering sector. The company is wholly owned by the subsidiary New Catering S.r.l..

On 20 December 2023, the merger plan by incorporation into MARR S.p.A. was filed with the Companies Register. of the wholly owned company AS.CA S.p.A., as well as published on the website www.marr.it and on the authorized storage mechanism www.emarketstorage.com. The company AS.CA S.p.A. since 1 February 2020 it has been leasing the company to the parent company MARR S.p.A..

Subsequent events after the closing of the year

No events occurred subsequent to the end of the financial year of significant importance and with effects on the measurement of the balance sheet items at 31 December 2023.

It should be noted that on 31 January 2024 the dissolution and liquidation operation of the company MARR Foodservice Iberica S.A. was completed. with the registration of the deed of dissolution in the Registro Mercantil of Madrid and consequent cancellation of the company.

Furthermore, on 23 February 2024 the Board of Directors of MARR S.p.A. has approved, pursuant to art. 2505 second paragraph of the civil code, the merger by incorporation into the parent company MARR S.p.A. of the wholly owned company AS.CA. S.p.A..

Outlook

Sales to Street Market and National Account clients in the first two months of 2024 are consistent with the growth and margins objectives forecast for the year.

These results have been achieved in a context of out-of-home food consumption in Italy that is expected to increase throughout 2024 (TradeLab, February 2024), also thanks to the positive performance of the tourism sector.

The MARR Group, the sales organization of which has recently met at its Convention, continues to strengthen its own competitive position, through a value proposal to satisfy the requirements of its Customers and increase loyalty.
MARR's development path, pursued in terms of sustainability, is based on closeness to customers, through the presence of the Sales Force and proximity logistics, for which the Group has defined an investment plan aimed at enhancing and modernising its operational capacity.
The first step in this plan will be the opening of the MARR Lombardy distribution centre, expected in the second quarter of 2024.

The focus of the entire organization on the recovery of operating profitability, through:

- i) the management of the Gross Margin and the control of operating costs, and
- ii) on the control of the levels of absorption of working capital are also confirmed.

Going concern

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

Main risks and uncertainties

In carrying out its business, the Company is affected by financial risks, as fully described in the Notes and where these include: market risk (as a combination of currency risk for foreign purchases of goods, interest rate risk and price risk), credit risk and liquidity risk.
In the current market context, management remains highly focused on credit management and cost containment policies aimed at preserving the commercial margin.
As regards the evolution of the Group's financial situation, this depends on numerous conditions including, in addition to the achievement of the pre-established objectives in terms of management of the commercial net working capital, also on the performance of the banking and money market which are also influenced from the current economic situation.

Human resources

The employees of the MARR Group at the end of December 2023 amounted to 1,010 (of which 9 Executives, 39 Middle Managers, 731 White Collars and 229 Blue Collars and 2 seasonal workers), with an increase of 53 units compared to the end of 2022 (957 employees). The increase of 53 employees is linked to the entry into the consolidation area of the company Cremonagel S.r.l. which includes 20 employees as of 31 December 2023 and the remaining part is connected to hirings carried out mainly by the Parent Company Marr S.p.A. to strengthen some company functions.

In addition to its employees, the Group employs over 950 sales technicians, more than 1,100 service and goods handling staff and a network of over 950 consignees.

As regards information relating to training and safety at work, please refer to what is detailed in Chapter 5 "People at Marr" of the Sustainability Report/Non-financial Declaration pursuant to Legislative Decree 254/2016 relating to the year 2023.

Information on sustainability and climate risks

Sustainability is a point of constant attention and the Group reports its policies and performance with particular regard to environmental, social, personnel-related issues, human rights, and the fight against active and passive corruption. These topics, together with the others identified as priorities in the context of the materiality analysis, are reported and explored in depth in the MARR Group Sustainability Report, which also fulfils the function of Consolidated Non-Financial Statement (DNF) required by the Legislative Decree 254/2016, and which is drawn up and published separately from this Report and made available for consultation in digital format at the following link: https://www.MARR.it/sostenibilita/bilancio-di-sostenibilita.
MARR, for the purposes of drafting the 2023 Sustainability Report/NFS, has implemented an analysis process conducted according to the sustainability reporting guidelines of the GRI (Global Reporting Initiative) Standard aimed at identifying the issues that could influence the ability to create value and which are most relevant for the Company and its Stakeholders. All the responsible management functions and some categories of stakeholders were involved in this process and was approved by the Board of Directors, together with the draft Consolidated Financial Statements.

As regards climate change, it is the subject of attention by Management who evaluates the risks and defines strategies aimed at reducing its impacts on the Group's operations, as well as the impacts of its own activity on it. It is believed that the ongoing climate change and expected for the next few years could have repercussions on aspects of MARR's operational management, as rising temperatures could have impacts on the costs of refrigeration and conservation of products and on the supply chain. These aspects are constantly monitored in order to evaluate solutions that can mitigate negative impacts linked to the increase in costs and on the other hand guarantee a containment of the negative effects that business activity has on the climate. In this regard, it should be noted that the Company within the Sustainability Report/Non-financial Declaration pursuant to Legislative Decree. 254/2016, to which reference is made for detailed information, reports its impact on the climate by exposing the Scope 1, Scope 2, Scope 3 emissions data and the associated actions for their mitigation.
At the date of this report there are no significant risks of adjustments to the book values of assets and liabilities or uncertainties that influence the hypotheses used to prepare the estimates, deriving from climate change.
There are no criminal proceedings pending for the Group relating to damage caused to the environment.

Fulfilments ex art. 37 of Regulation 16191/2007 (Market Regulation)

The Board of Directors certifies the non-applicability of the conditions inhibiting the listing pursuant to art. 37 of Market Regulation no. 16191/2007, relating to companies subject to the management and coordination activities of others.

Information on the impact of the war in Ukraine

With reference to the current international tensions linked to the conflict in Ukraine, it should be noted that the MARR Group does not have commercial relationships with operators located in these territories.
The Company carefully follows the evolution of the Russia-Ukraine crisis and the consequent impacts in terms of strengthening inflationary dynamics on the markets for the supply of raw materials and energy costs. This scenario of uncertainty makes it difficult to evaluate any future impacts on consumer spending capacity and on tourist flows, including those from abroad.

MARR S.p.A. – PARENT COMPANY

Below is a summary of the Parent Company's results drawn up in compliance with the IAS/IFRS International Accounting Principles.

Re-classified Income Statement of the Parent Company MARR

MARR S.p.A. (€thousand)	31.12.23	%	31.12.22	%	% Change
Revenues from sales and services	1,917,028	*97.3%*	1,773,380	*97.2%*	*8.1*
Other earnings and proceeds	52,386	*2.7%*	50,537	*2.8%*	*3.7*
Total revenues	1,969,414	*100.0%*	1,823,917	*100.0%*	*8.0*
Cost of raw materials, consumables and goods for resale	(1,563,361)	*-79.4%*	(1,478,724)	*-81.1%*	*5.7*
Change in inventories	(6,741)	*-0.3%*	9,918	*0.5%*	*(168.0)*
Services	(243,401)	*-12.4%*	(239,426)	*-13.1%*	*1.7*
Leases and rentals	(2,964)	*-0.2%*	(2,871)	*-0.2%*	*3.2*
Other operating costs	(1,620)	*0.0%*	(1,892)	*0.0%*	*(14.4)*
Value added	151,327	*7.7%*	110,922	*6.1%*	*36.4*
Personnel costs	(38,937)	*-2.0%*	(37,493)	*-2.1%*	*3.9*
Gross Operating result	112,390	*5.7%*	73,429	*4.0%*	*53.1*
Amortization and depreciation	(18,583)	*-1.0%*	(17,953)	*-1.0%*	*3.5*
Provisions and write-downs	(17,324)	*-0.8%*	(15,608)	*-0.8%*	*11.0*
Operating result	76,483	*3.9%*	39,868	*2.2%*	*91.8*
Financial income and charges	(14,260)	*-0.7%*	(4,955)	*-0.3%*	*187.8*
Value adjustments to financial assets	(1)	*0.0%*	(4)	*0.0%*	*(75.0)*
Result from recurrent activities	62,222	*3.2%*	34,909	*1.9%*	*78.2*
Non-recurring charges	0	*0.0%*	(400)	*0.0%*	*(100.0)*
Result before taxes	62,222	*3.2%*	34,509	*1.9%*	*80.3*
Income taxes	(17,327)	*-0.9%*	(9,148)	*-0.5%*	*89.4*
Taxes relating previous years	17	*0.0%*	40	*0.0%*	*(57.5)*
Total net result	44,912	*2.3%*	25,401	*1.4%*	*76.8*

Re-classified Balance Sheet of the Parent Company MARR

MARR S.p.A. (€thousand)	31.12.23	31.12.22
Net intangible assets	141,804	141,817
Net tangible assets	96,696	78,623
Right of use assets	68,877	67,680
Equity investments in other companies	37,511	37,511
Other fixed assets	22,939	16,375
Total fixed assets (A)	367,827	342,006
Net trade receivables from customers	330,145	337,238
Inventories	197,108	203,849
Suppliers	(364,498)	(350,704)
Trade net working capital (B)	162,755	190,383
Other current assets	79,826	47,227
Other current liabilities	(25,125)	(13,235)
Total current assets/liabilities (C)	54,701	33,992
Net working capital (D) = (B+C)	217,456	224,375
Other non current liabilities (E)	(5,082)	(3,736)
Staff Severance Provision (F)	(5,159)	(5,687)
Provisions for risks and charges (G)	(6,418)	(6,848)
Net invested capital (H) = (A+D+E+F+G)	568,624	550,110
Shareholders' equity	(338,674)	(326,875)
Shareholders' equity (I)	(338,674)	(326,875)
(Net short-term financial debt)/Cash	100,454	67,277
(Net medium/long-term financial debt)	(257,378)	(219,128)
Net financial debt - before IFRS16 (J)	(156,924)	(151,851)
Current lease liabilities (IFRS16)	(10,432)	(9,589)
Non-current lease liabilities (IFRS16)	(62,594)	(61,795)
IFRS16 effect on Net financial debt (K)	(73,026)	(71,384)
Net financial debt (L) = (J+K)	(229,950)	(223,235)
Net equity and net financial debt (M) = (I+L)	(568,624)	(550,110)

Re-classified Net Financial Position of the Parent Company MARR

	(€thousand)	Note	31.12.23	31.12.22
A.	Cash		16,692	14,696
	Bank accounts		196,187	167,870
B.	Cash equivalent		196,187	167,870
C.	**Liquidity (A) + (B)**	15	**212,879**	**182,566**
	Current financial receivable due to Subsidiaries		10,138	10,907
	Current financial receivable due to Parent Company		9,818	9,404
D.	**Current financial receivable**	12	**19,956**	**20,311**
E.	Current derivative/financial instruments	8	2	7
F.	Current Bank debt		(44,698)	(15,882)
G.	Current portion of non-current debt		(70,082)	(99,838)
	Financial debt due to Subsidiaries		(14,724)	(15,363)
	Other financial debt		(2,879)	(4,525)
H.	Other current financial debt		(17,603)	(19,888)
I.	Current lease liabilities (IFRS16)	25	(10,432)	(9,589)
J.	**Current financial debt (F) + (G) + (H) + (I)**	24/25/26	**(142,815)**	**(145,197)**
K.	**Net current financial indebtedness (C) + (D) + (E) + (J)**		**90,022**	**57,687**
L.	Non current bank loans	18/20	(157,533)	(119,768)
M.	Non-current derivative/financial instruments	8	126	1,015
N.	Other non current loans	18/20	(99,971)	(100,374)
O.	Non-current lease liabilities (IFRS16)	19	(62,594)	(61,795)
P.	**Non current financial indebtedness (L) + (M) + (N) + (O)**	18/19/20	**(319,972)**	**(280,922)**
Q.	**Net financial indebtedness (K) + (P)**		**(229,950)**	**(223,235)**

Re-classified Cash Flows Statement of the Parent Company MARR S.p.A.

MARR S.p.A. (€thousand)	31.12.23	31.12.22
Net result	44,912	25,401
Amortization and depreciation	18,584	17,954
Change in Staff Severance Provision	(528)	(798)
Operating cash-flow	62,968	42,557
(Increase) decrease in receivables from customers	7,093	(28,612)
(Increase) decrease in inventories	6,741	(11,192)
Increase (decrease) in payables to suppliers	13,794	(16,140)
(Increase) decrease in other items of the working capital	(24,357)	5,166
Change in working capital and other change in non- current items	3,271	(50,778)
Net (investments) in intangible assets	(674)	(1,687)
Net (investments) in tangible assets	(25,434)	(11,344)
Flows relating to acquisitions of subsidiaries and going concerns	(2,000)	(4,047)
Investments in other fixed assets	(28,108)	(17,078)
Free - cash flow before dividends	38,131	(25,299)
Distribution of dividends	(25,068)	(31,118)
Other changes, including those of minority interests	(8,039)	(3,500)
Cash-flow from (for) change in shareholders' equity	(33,107)	(34,618)
FREE - CASH FLOW	5,024	(59,917)
Opening net financial debt	(223,235)	(151,592)
Effect for change in liability for IFRS16	(11,739)	(11,578)
Cash-flow for the period	5,024	(59,917)
Dividends approved and not distributed	0	(148)
Closing net financial debt	(229,950)	(223,235)

Nature of proxies conferred on Directors

The powers granted to individual Directors are those indicated below:
- the President has the legal representation referred to in the art. 20 of the company statute,
- to the CEO, in addition to the legal representation referred to in the art. 20 of the company statute, the necessary powers have been conferred for the completion of the acts relating to the company's activity, to be exercised within the scope of the delegations attributed by resolution of the Board of Directors dated 28 April 2023.

In the current structure of the Corporate Bodies, the Executive Committee is not established.

During the year, the Director who held the position of Chief Executive Officer made use of the powers attributed to him only for the normal management of the company's business, while significant operations, in terms of type, quality and value, were subjected examined by the Board of Directors.

Proposal for the allocation of the result for the year 2023 and distribution of the dividend

Dear Shareholders,

before the conclusion and your decisions in this regard, we confirm that the draft financial statement closed on 31 December 2023, submitted for your examination and approval at this meeting, has been drawn up in compliance with current legislation.

In submitting the 2023 financial statements for approval to the assembly, we propose to:

a) allocate the profit for the year of 44,912,144 euros as follows:

- dividend of 0.60 euros for each entitled ordinary share,

- allocation to the Extraordinary Reserve of the residual amount, the amount of which will be determined based on the treasury shares in portfolio on the date of distribution of the coupon.

b) pay the dividend on 22 May 2024 with ex-dividend date (no. 19) on 20 May 2024 (record date 21 May 2024), as regulated by the Italian Stock Exchange.

The Board of Directors extends heartfelt thanks to the employees and all collaborators who also contributed with their commitment to achieving the Company's objectives in the 2023 financial year.

Rimini, 13 March 2024

For the Board of Directors
The Chairman
Andrea Foschi

MARR Group

Consolidated Financial Statements as at December 31, 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€thousand)	Notes	31.12.23	relating to related parties	%	31.12.22	relating to related parties	%
ASSETS							
Non-current assets							
Tangible assets	1	101,879			83,899		
Right of use	2	77,239			75,368		
Goodwill	3	167,010			167,010		
Other intangible assets	4	3,382			3,367		
Equity investments valued using the equity method	5	1,828			1,828		
Investments in other companies	5	178			178		
Non-current financial receivables	6	9			22		
Non-current derivative/financial instruments	7	126			1,015		
Other non-current assets	8	26,586			21,561		
Total non-current Assets		378,237			354,248		
Current assets							
Inventories	9	203,370			209,913		
Financial receivables	10	9,818	*9,818*	*100.0%*	9,404	*9,404*	*100.0%*
Current derivative/financial instruments	7	2			7		
Trade receivables	11	345,093	*20,923*	*6.1%*	348,718	*25,738*	*7.4%*
Tax assets	12	13,913	*12*	*0.1%*	7,284	*4,043*	*100.0%*
Cash and cash equivalents	13	223,406			191,664		
Other current assets	14	37,901	*132*	*0.3%*	41,224	*440*	*1.1%*
Total current Assets		833,503			808,214		
TOTAL ASSETS		1,211,740			1,162,462		
LIABILITIES							
Shareholders' Equity	15	355,473			341,457		
Share capital		*33,263*			*33,263*		
Reserves		*252,455*			*260,163*		
Profit for the period		*69,755*			*48,031*		
Total Shareholders' Equity		355,473			341,457		
Non-current liabilities							
Non-current financial payables	16	257,436			220,143		
Non-current lease liabilities (IFRS16)	17	69,816	*5,877*	*8.4%*	68,436	*6,888*	*10.1%*
Non current derivative/financial instruments		68			0		
Employee benefits	18	6,672			7,207		
Provisions for risks and charges	19	6,555			6,566		
Deferred tax liabilities	20	1,110			1,655		
Other non-current liabilities	21	5,093			3,751		
Total non-current Liabilities		346,750			307,758		
Current liabilities							
Current financial payables	22	117,660			120,248		
Current lease liabilities (IFRS16)	23	11,826	*1,011*	*8.5%*	10,813	*982*	*9.1%*
Current tax liabilities	24	12,410	*8,233*	*66.3%*	2,475	*0*	*0.0%*
Current trade liabilities	25	350,223	*15,552*	*4.4%*	365,359	*29,484*	*8.1%*
Other current liabilities	26	17,398	*288*	*1.7%*	14,352	*713*	*5.0%*
Total current Liabilities		509,517			513,247		
TOTAL LIABILITIES		1,211,740			1,162,462		

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€thousand)	Notes	31.12.23	relating to related parties	%	31.12.22	relating to related parties	%
Revenues	27	2,029,976	*107,202*	*5.3%*	1,878,876	*85,680*	*4.6%*
Other revenues	28	8,714	*60*	*0.7%*	8,445	*49*	*0.6%*
Changes in inventories	9	(6,543)			10,061		
Purchase of goods for resale and consumables	29	(1,601,484)	*(204,071)*	*12.7%*	(1,515,049)	*(198,677)*	*13.1%*
Personnel costs	30	(47,253)			(45,277)		
Amortizations, depreciations and provisions	31	(21,363)			(20,206)		
Losses due to reduction in value of financial assets measured at amortized cost	32	(16,802)			(15,633)		
Other operating costs	33	(260,339)	*(4,004)*	*1.5%*	(255,382)	*(3,628)*	*1.4%*
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(336)*			*(326)*		
Financial income and charges	34	(17,986)	*(152)*	*0.8%*	(8,245)	*(279)*	*3.4%*
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(5,011)*			*(2,087)*		
Income (charge) from associated companies	35	0			0		
Profit/(Loss) before taxes		66,920			37,590		
Taxes	36	(19,786)			(11,040)		
Profit/(Loss) for the period		47,134			26,550		
Attributable to:							
Shareholders of the parent company		47,134			26,550		
Minority interests		0			0		
		47,134			26,550		

(€)	Notes	31.12.23	31.12.22
EPS base (euros)	37	0.72	0.40
EPS diluted (euros)	37	0.72	0.40

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	Notes	31.12.23	31.12.22
Profits/(Loss) for the period (A)		47,134	26,550
Items to be reclassified to profit or loss in subsequent periods:			
Efficacious part of profits/(losses) on cash flow hedge instruments		(962)	1,022
Taxation effect on the effective portion of profits/(losses) on cash flow hedge instruments		231	(245)
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans		(48)	759
Taxation effect in the actuarial (losses)/gains onceming defined benefit plans		15	(182)
Total Other Profits/(Losses) net of taxes (B)	38	(764)	1,354
Comprehensive Income/(Loss) (A + B)		46,370	27,904
Attributable to:			
Shareholders of the parent company		46,370	27,904
Minority interests		0	0
		46,370	27,904

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(note n. 15)

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 account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the 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 2023	33,263	63,348	6,652	13	36,496	147,841	1,475	7,293	777	(4,682)	1,437	(487)	260,163	48,031	341,457
Allocation of 2022 profit						333							333	(333)	
Distribution dividends MARR S.p.A.														(25,068)	(25,068)
Effect of the trading of own shares										(7,272)			(7,272)		(7,272)
Other minor variations											(5)		(5)	(9)	(14)
- Profit for the period														47,134	47,134
- Other Profits/Losses, net of taxes									(731)			(33)	(764)		(764)
Consolidated comprehensive income 2023															46,370
Balance at 31 December 2023	33,263	63,348	6,652	13	36,496	148,174	1,475	7,293	46	(11,954)	1,432	(520)	252,455	69,755	355,473

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 account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the 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	147,176	1,475	7,290			1,444	(1,064)	262,833	53,411	349,507
Allocation of 2021 profit						664							664	(664)	
Distribution dividends MARR S.p.A.														(31,266)	(31,266)
Effect of the trading of own shares										(4,682)			(4,682)		(4,682)
Other minor variations											(6)		(6)		(6)
- Profit for the period														26,550	26,550
- Other Profits/Losses, net of taxes									777			577	1,354		1,354
Consolidated comprehensive income 2022															27,904
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

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	Notes	31.12.23	relating to related parties	%	31.12.22	relating to related parties	%
Result for the Period		47,134			26,550		
Adjustment:							
Amortization /Depreciation	31	11,978			11,622		
IFRS 16 depreciation	31	8,578			8,253		
Change in deffered tax	36	(383)			708		
Allocation of provison for bad debts	32	16,802			15,633		
Allocation of provision for risks and losses	32	450			200		
Provision for supplementary clientele severance indemnity	31	363			137		
Capital profit/losses on disposal of assets	28/33	(72)			134		
Financial (income) charges net of foreign exchange gains and losses	34	17,513	*152*	*0.9%*	8,074	*279*	*3.5%*
Foreign exchange evaluated (gains)/losses	34	294			(131)		
Total		**55,523**			**44,630**		
Net change in Staff Severance Provision	18	(583)			(1,258)		
(Increase) decrease in trade receivables	11	(13,177)	*4,815*	*(36.5%)*	(50,736)	*(12,426)*	*24.5%*
(Increase) decrease in inventories	9	6,543			(10,061)		
Increase (decrease) in trade payables	25	(15,136)	*(13,932)*	*92.0%*	5,545	*(5,519)*	*99.5%*
(Increase) decrease in other assets	8/14	(1,711)	*308*	*(18.0%)*	(3,421)	*(262)*	*7.7%*
Increase (decrease) in other liabilities	21/26	3,270	*(425)*	*(13.0%)*	1,453	*276*	*19.0%*
Net change in tax assets / liabilities	12/20/24	9,349	*15,502*	*165.8%*	13,657	*6,118*	*44.8%*
Interest paid	34	(19,907)	*(252)*	*1.3%*	(8,976)	*(298)*	*3.3%*
Interest received	34	2,394	*100*	*4.2%*	902	*19*	*2.1%*
Foreign exchange evaluated gains	34	0			131		
Income tax paid	12/24	(5,959)	*(3,238)*	*54.3%*	(26,437)	*(21,638)*	*81.8%*
Cash-flow from operating activities		**67,740**			**(8,021)**		
(Investments) in other intangible assets	4	(730)			(949)		
(Investments) in tangible assets	1	(25,912)			(11,860)		
Net disposal of tangible assets	1	136			128		
Net (investments) in equity investments in other companies	5	0			(3)		
Outgoing for acquisition of subsidiaries or going concerns during the year (net of cash acquired)	3	(2,000)			(4,047)		
Liquidity acquired from business combinations		0			10		
Cash-flow from investment activities		**(28,506)**			**(16,721)**		
Dividends payment on 2022 profit	15	(25,068)			(31,118)		
Dividends payment on 2021 profit	15	(148)			0		
Trading of own shares	15	(7,272)			(4,682)		
Net change in liabilities (IFRS 16)	17/23	(11,456)	*(982)*	*8.6%*	(7,679)	*(1,934)*	*25.2%*
Net change in financial payables (excluding the new non-current loans received)	16/22	28,757			(35,356)		
New non-current loans received	16/22	110,000			102,000		
Repayment of other long-term debt	16/22	(101,904)			(53,858)		
Net change in current financial receivables	10	(414)	*(414)*	*100.0%*	(3,623)	*(3,617)*	*99.6%*
Net change in non-current financial receivables	6	13			728		
Cash-flow from financing activities		**(7,492)**			**(33,588)**		
Increase (decrease) in cash-flow		**31,742**			**(58,330)**		
Opening cash and equivalents	13	191,664			249,994		
Closing cash and equivalents		**223,406**			**191,664**		

For the reconciliation between the opening data and the closing balances with the related movements in financial liabilities deriving from financing activities (as required by paragraph 44A of IAS 7) please refer to Annex 10 of the subsequent Notes.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

The MARR Group operates entirely in the marketing and distribution of food products to the Foodservice.

In particular, the parent company MARR S.p.A., with the legal form of a joint-stock company, has its headquarters in Street Spagna n. 20, Rimini, (Italy) and operates mainly in Italy in the marketing and distribution of fresh, dried and frozen food products intended for catering operators.

The Parent Company is controlled by the company Cremonini S.p.A. whose essential data are set out in the following Attachment 6.

The consolidated financial statements as of December 31, 2023 were authorized for publication by the Board of Directors on March 13, 2024.

Information by sector of activity

For the purposes of applying IFRS 8, please note that the Group operates in the sole sector of "Distribution of food products to non-domestic catering".
With regards to trends in 2023, please refer to what is stated in the Directors' Report on management performance.

Structure and contents of the consolidated financial statements

The consolidated financial statements as at 31 December 2023 were 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 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 as transposed by Legislative Decree 28 February 2005, n. 38 and subsequent amendments, communications and CONSOB resolutions.

The international accounting standards adopted in the preparation of the consolidated financial statements as at 31 December 2023 are indicated in the "Valuation criteria" section.

The consolidated financial statements as of 31 December 2023 present, for comparative purposes, the balances for the financial year ended 31 December 2022.

The following classifications were used:
- "Statement of the financial position" for current/non-current items
- "Profit/loss statement for the year" by nature
- "Cash flow statement" (indirect method)

These classifications are believed to provide information that better represents the equity, economic and financial situation of the Group.

The presentation currency is the euro.

The statements and tables contained in these consolidated financial statements are shown in thousand euros.

In compliance with the provisions of the ESEF Regulation, MARR has drawn up the annual financial report as at 31 December 2023 in XHTML format, integrated with appropriate XBRL markings with regard to the consolidated financial statements relating to:
- Consolidated financial position
- Consolidated statement of profit/(loss) for the year
- Consolidated statement of other components of the comprehensive income statement
- Changes in consolidated shareholders' equity
- Consolidated cash flow statement

- Notes to the consolidated financial statements.
XBRL markups have been incorporated into XHTML using the inline-XBRL specification.

Going Concern

In consideration of the aforementioned market performance, the solidity of its financial structure and the forecasts reflected in the 2024 Budget, the Company considers the use of the going concern assumption to be appropriate and correct.

This financial statement was prepared using the evaluation principles and criteria illustrated below.

Consolidation method

Consolidation is carried out using the global integration method which consists of incorporating all asset and liability items and costs and revenues in their entirety. The main consolidation criteria adopted for the application of this method are set out below.

- Subsidiary companies are consolidated starting from the date on which control was actually transferred to the Group, and cease to be consolidated on the date on which control is transferred outside the Group.
- The assets and liabilities, expenses and income of the controlled companies are assumed line by line, starting from date on which the Parent Company assumes direct or indirect control (i.e. through one or more other subsidiaries) and until the date on which such control ceases to exist, attributing, where applicable, to the minority shareholders their share of the net equity and net result for the period.
- Reciprocal debt and credit, cost and revenue relationships between consolidated companies and the effects of all transactions of significant importance between them are eliminated.
- The shares of shareholders' equity and the results for the period of the 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 recorded at the date of original acquisition and in changes in equity after that date.
- Subsequently, the profits and losses are attributed to the minority shareholders based on 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 parent company's ownership interest in a subsidiary that do not lead to 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 stake in the former subsidiary,
  • eliminates cumulative exchange differences recognized in shareholders' equity,
  • recognizes the fair value of the consideration received,
  • recognizes the fair value of any shareholding retained in the former subsidiary,
  • recognizes any profit or loss in the income statement,
  • reclassifies the parent's share of the components previously recognized in the statement of comprehensive income to the income statement or to retained earnings, as appropriate.

Scope of consolidation

The consolidated financial statements as at 31 December 2023 include the financial statements of the Parent Company MARR S.p.A. and that of the companies in which it holds, directly or indirectly, control.
Control is achieved when the Group is exposed to or has the right to variable returns, deriving from its relationship with the entity being invested in and, at the same time, has the ability to affect such 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 (i.e. it holds valid rights that give it the current ability to direct the relevant activities of the investee);
- exposure or rights to variable returns deriving from the relationship with the entity being invested;
- the ability to exercise one's power over the entity being invested to affect the amount of its returns.

Generally, there is a presumption that majority voting rights entail control. To support this presumption and when the Group holds less than a majority of the voting rights (or similar rights), the Group considers all relevant facts and circumstances to determine 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 elements relevant to the definition of control.
The complete list of investments included in the consolidation area as of 31 December 2023, with an indication of the consolidation method, is shown in Annex 1.
The consolidated financial statements were drawn up on the basis of the accounting situations as of 31 December 2023 prepared by the companies included in the consolidation area and adjusted, where necessary, in order to align them with the accounting principles and classification criteria of the group compliant with IFRS.

The consolidation area at 31 December 2023 differs from the situation at 31 December 2022 due to the incorporation on 29 May 2023 of the company Cremonagel S.r.l., wholly owned by the subsidiary New Catering S.r.l..

Accounting policies

The most significant accounting principles and evaluation criteria adopted for the preparation of the MARR Group's consolidated financial statements as at 31 December 2023 are shown below:

Tangible assets

Tangible assets are recorded at the purchase price or production cost including directly attributable ancillary costs necessary to make the assets available for use. As permitted by IFRS1, the Company proceeded with the initial fair value measurement of some owned land and buildings, and used this value as a new cost subject to depreciation.
It is not permitted to carry out revaluations, even if in application of specific laws. Tangible assets are systematically depreciated on a straight-line basis over their useful life, understood as the estimate of the period in which the asset will be used by the company. When the tangible asset is made up of several significant components with different useful lives, depreciation is carried out for each component. The value to be depreciated is represented by the book value reduced by the presumed net transfer value at the end of its useful life, if significant and reasonably determinable. Land is not subject to depreciation, even if purchased together with a building, as are tangible assets intended for sale which are valued at the lower of their book value and their fair value net of disposal costs.
The costs for improvements, modernization and transformation of an incremental nature of the tangible assets are attributed to the balance sheet assets if they comply with the capitalization requirements required by IAS 16.
The rates applied (unchanged compared to the previous year) are as follows:

Buildings	2.65% - 3%
Plant and machinery	7.50%-15%
Industrial and business equipment	15%
Other assets:	
Electronic office equipment	20%
Office furniture and fittings	12%
Motor vehicles and means of internal transport	20%
Cars	25%
Other minor assets	10% -30% or contract term

The residual book value, useful life and amortization criteria are reviewed at each financial year end and adjusted prospectively if necessary.
An asset is eliminated from the balance sheet at the time of sale or when there are no future economic benefits expected from its use or disposal. Any losses or profits (calculated as the difference between the net proceeds of the sale and the book value) are included in the income statement upon the aforementioned elimination.

Other intangible assets

Other intangible assets concern assets without identifiable physical consistency, controlled by the company and capable of producing future economic benefits, as well as goodwill when acquired for consideration.
Intangible assets acquired separately are initially recorded at cost, determined according to the criteria indicated for tangible assets, while those acquired through business combinations are recorded at fair value on the acquisition date. It is not permitted to carry out revaluations, even if in application of specific laws.

Intangible assets with a defined useful life are systematically amortized over their useful life, understood as the estimate of the period in which the assets will be used by the company.

The other intangible assets were amortized using the following criteria:

Patents and intellectual property rights	5 years
Concessions, licenses, trademarks and similar rights	5 years/20 years
Other assets	5 years/contract terms

The amortization period and the amortization criteria of intangible assets with a defined useful life are reviewed at least at each end of the financial year and adjusted prospectively if necessary.

Goodwill and business combinations

The Group uses the purchase method for accounting for business combinations. According to this method:

1. the consideration transferred in a business combination is measured at fair value, calculated as the sum of the fair values of the assets transferred and the liabilities assumed by the Group at the acquisition date and of the capital instruments issued in exchange for control of the acquired company. The costs incidental to the transaction are recognized in the income statement when they are incurred;
2. at the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at fair value at the acquisition date; an exception are deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or equity instruments relating to share-based payments of the acquired company or share-based payments relating to the group issued in replacement of contracts of the acquired company, and the assets (or groups of assets and liabilities) intended for sale and the rights of use, which are instead valued according to their reference principle;
3. goodwill is determined as the excess between the sum of the considerations transferred in the business combination, the value of the net equity pertaining to minority interests and the fair value of any participation previously held in the acquired company compared to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the sum of the considerations transferred, the value of the net equity pertaining to minority interests and the fair value of any participation previously held in the acquired company, this excess is immediately recognized in the income statement as income deriving from the concluded transaction;
4. any considerations subject to conditions provided for in the business combination contract are valued at fair value at the acquisition date and included in the value of the considerations transferred in the business combination for the purposes of determining goodwill.

If the initial values of a business combination are incomplete at the balance sheet closing date on which the business combination took place, the Group reports in its consolidated financial statements the provisional values of the elements for which the recognition cannot be concluded. These provisional values are adjusted in the measurement period to take into account new information obtained on facts and circumstances existing at the acquisition date which, if known, would have had effects on the value of the assets and liabilities recognized at that date.

Goodwill is initially recognized at cost, represented by the excess of the total amount paid over the fair value of the identifiable net assets acquired and liabilities assumed by the Group.
Goodwill is recognized in accordance with what is indicated previously and after initial recognition, goodwill is measured at cost less any accumulated impairment losses.
Goodwill is allocated to the cash generating units and subjected annually or more frequently, if certain events or changed circumstances indicate the possibility of having suffered a loss in value, to an "impairment test", as required from IAS 36 "impairment of assets".

Rights of use and financial debts for rentals (IFRS 16)

The assets held by the Group under leasing contracts, including operational ones, in accordance with the provisions of IFRS 16, in force from 1 January 2019, are recorded under assets with a financial debt as a counterpart. In particular, the assets are recognized at a value equal to the present value of future payments on the date of signing the contract, discounted using the applicable incremental borrowing rate for each contract, and amortized on the basis of the duration of the underlying contract, taking into account the effects of any extension or early termination clauses whose exercise was deemed reasonably certain.

In compliance with the provisions of IFRS 16, starting from 1 January 2019 the Group identifies as leasing the contracts for which it obtains the right to use an identifiable asset for a period of time in exchange for a consideration.
For each leasing contract, starting from the effective date of the same ("commencement date"), the Group records, among tangible fixed assets, an asset (right to use the asset) as a counterpart to a corresponding financial liability (lease debt), with the exception of the following cases: (i) short-term contracts, less than 12 months ("short term lease"); (ii) contracts of modest value ("low value lease") applied to situations in which the asset being leased has a value not exceeding 5 thousand euros (new value).
For contracts of short duration and modest value, the financial liability of the leasing and the related right of use are therefore not recognised, but the rental payments are charged to the income statement on a straight-line basis for the duration of the respective contracts.
The rights of use are shown in a specific budget item. At the time of initial recognition of the leasing contract, the right of use is recorded at a value corresponding to the leasing debt, determined as described above, increased by the fees paid in advance and additional charges and net of any incentives received. Where applicable, the initial value of the rights of use also includes the related costs of dismantling and restoring the area.
Situations that involve the redetermination of the leasing debt imply a corresponding change in the value of the right of use.
After the initial registration, the right of use is amortized on a straight-line basis, starting from the date of commencement of the leasing ("commencement date"), and subject to devaluations in the event of losses in value. Depreciation is carried out based on the shorter period between the duration of the leasing contract and the useful life of the underlying asset; however, in the event that the leasing contract provides for the transfer of ownership, possibly also due to the use of redemption options included in the value of the right of use, depreciation is carried out based on the useful life of the asset.

Leasing payables are shown in the balance sheet among current and non-current financial liabilities, together with the Group's other financial payables. The financial liability for leases (IFRS16) is initially recognized at the present value of the payments due for the lease not yet made at the commencement date, which include:

- the fixed payments which will be paid with reasonable certainty, net of any leasing incentives to be received;
- variable payments due that depend on an index or rate (variable payments such as rent based on the use of the leased asset are not included in the "Lease liability", but recognized in the income statement as operating costs over the duration of the contract leasing);
- any amounts expected to be paid as a residual value guarantee granted to the lessor;
- the exercise price of the purchase option, if the lessee is reasonably certain of exercising it;
- penalty payments for termination of the lease, if the lessee is reasonably certain of exercising this option.

The present value of the aforementioned payments was calculated using a discount rate equal to the tenant's incremental financing rate.
The lessee's incremental financing rate is defined taking into account the frequency and duration of payments under the leasing contract, the currency in which they are denominated and the characteristics of the lessee's economic environment ('IBR'). In particular, the IBR is determined on the basis of the Risk Free Rate from Bloomberg input on the basis of the Euro swap, reflecting considerations or adjustments relating to the specific national context where the Group operates where relevant. The defined rate is consistent with the average residual life of the contracts.
The leasing installments subject to discounting include: fixed installments; variable rents due to an index or rate; the redemption price, where it exists and where the Group is reasonably certain of using it; the amount of the expected payment for the possible release of guarantees on the residual value of the asset; the amount of penalties
pay in the case of exercising options for early termination of the contract, where the Group is reasonably certain of exercising them.
After initial recognition, the leasing debt is increased to take into account the interest accrued, determined on the basis of the amortized cost, and decreased in relation to the leasing installments paid.
Furthermore, the leasing debt is subject to redetermination, increasing or decreasing, in cases of modification of the contracts or other situations envisaged by IFRS 16 which lead to a change in the amount of the installments and/or in the duration of the leasing. In particular, in the presence of situations that involve a change in the estimate of the probability of exercise (or non-exercise) of the renewal or early termination options of the contract or in the forecasts of redemption (or not) of the asset upon expiry of the contract, the debt leasing is redetermined by discounting the new value of the rents to be paid based on a new discount rate.

Investments in related companies and other companies

An associated company is a company over which the Group exercises significant influence. Significant influence means the power to participate in determining the financial and management policies of the investee without having control or joint control over it.
Equity investments in associated companies are valued using the equity method and equity investments in other companies are valued at fair value, as indicated in Attachment 1 and in the following notes.
Under the equity method, the investment in an associated company is initially recognized at cost. The book value of the investment is increased or decreased to detect the investor's share of the investee's profits and losses realized after the acquisition date. The goodwill relating to the associate is included in the book value of the investment and is not subject to amortization or to an individual impairment test.
The consolidated statement of profit/(loss) for the year reflects the Group's share of the result for the year of the associated company. Any changes in other comprehensive income components relating to these investees are presented as part of the Group's comprehensive income statement. Furthermore, in the event that an associated company records a change with direct attribution to shareholders' equity, the Group recognizes its relevant share, where applicable, in the statement of changes in shareholders' equity. Unrealized profits and losses arising from transactions between the Group and associated companies or joint ventures are eliminated in proportion to the shareholding in the associated companies or joint ventures.
The recoverability of their book value is verified by adopting the criteria indicated in the point "Losses in value of non-financial assets" with regard to shareholdings in associated companies and in the point "Losses in value of financial assets" with regard to shareholdings in other businesses.
Upon loss of significant influence over an associated company or joint control over a joint venture, the Group evaluates and recognizes the residual investment at fair value. The difference between the carrying value of the investment at the date of loss of significant influence or joint control and the fair value of the residual investment and the payments received is recognized in the income statement.

Inventories

Inventories are recorded at the lower of the purchase or production cost, determined according to the FIFO method, and the presumed realization value deducible from market trends.

Trade receivables

Trade receivables are valued, at the time of initial recognition, at fair value. Subsequently, the receivables are valued using the amortized cost method on the basis of the effective interest rate represented by the rate which equalises, at the time of initial recognition, the present value of the expected cash flows and the booking value. The value thus determined is reduced, where losses in value occur, to the realizable value.

Trade receivables are subject to a test for reduction in value (so-called impairment) on the basis of the provisions of IFRS 9. In order to carry out this analysis, the Group estimates the expected losses on receivables from customers over the entire duration of these credits and takes into consideration the experience historically gained by the Group regarding credit losses, grouped into homogeneous classes, and corrected on the basis of prospective factors specific to the nature of the Group's credits and the economic context. Trade receivables are written down when there is no rational expectation of being recovered. Indicators that signal the absence of rational expectations of recovery include, among others, the inability of a creditor to engage in a recovery plan with the Group, and the inability to make contractual payments for a significant period of time.

The provision for bad debts includes the write-downs carried out to take into account the objective evidence of indicators of reduction in value of trade receivables. The amount of the write-down, which is calculated on the basis of the most recent information available and the best estimate of the directors, is measured as the difference between the book value of the asset and the current value of the expected future financial flows, also taking into consideration what envisaged by the ECL (Expected Credit Loss) model.

The provision for bad debts is classified as a reduction of the item "Trade receivables".

The provisions made to the provision for bad debts are classified in the income statement under the item "Losses due to reduction in value of financial assets measured at amortized cost".

Derivative financial instruments

Derivative financial instruments are accounted for in accordance with the provisions of IFRS 9.

At the date of signature of the contract, the derivative financial instruments are initially accounted for at fair value, as financial assets measured at fair value with impact on the income statement when the fair value is positive or as financial liabilities measured at fair value with impact on the income statement when the fair value is negative.

If the financial instruments are not accounted for as hedging instruments, the changes in fair value recognized after initial recognition are treated as components of the result for the year. If, however, the derivative instruments satisfy the requirements to be classified as hedging instruments, subsequent changes in fair value are accounted for following specific criteria, illustrated below.

A derivative financial instrument is classified as a hedge if the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the strategy for carrying out the hedge and the methods that will be used to verify the hedge. prospective and retrospective effectiveness. The effectiveness of each hedge is verified both at the time of initiation of each derivative instrument and during its life, and in particular at each balance sheet or interim situation.
Generally, a hedge is considered highly "effective" if, both at the beginning and during its life, changes in the fair value, in the case of fair value hedge, or in the cash flows expected in the future, in the case of cash flow hedge, of the hedged item are substantially offset by changes in the fair value of the hedging instrument.

The IFRS 9 accounting standard provides for the possibility of designating the following three hedging relationships:
• fair value hedge: when the hedge concerns changes in the fair value of assets and liabilities recorded in the balance sheet, both the changes in the fair value of the hedging instrument and the changes in the object of the hedge are attributed to the account economic.
• hedging of financial flows (cash flow hedge): in the case of hedges aimed at neutralizing the risk of changes in cash flows originating from the future execution of contractually defined obligations at the balance sheet reference date, the changes in the fair value of the derivative instrument recorded after the first recognition are accounted for, limited to the effective portion only, in the comprehensive income statement and therefore in a shareholders' equity reserve called "Cash flow hedge reserve". When the economic effects arises from the hedging, the portion recorded in the comprehensive income statement is transferred to the income statement. If the hedge is not perfectly effective, the change in fair value of the hedging instrument attributable to the ineffective portion of the same is immediately recognized in the income statement.
• hedging of a net investment in a foreign operation (net investment hedge).
If the checks do not confirm the effectiveness of the hedge, from that moment the accounting of the hedging operations is interrupted and the hedging derivative contract is reclassified among the financial assets valued at fair value with impact on the income statement or among the financial liabilities valued at fair value with impact on the income statement.
Furthermore, the hedging relationship ends when:
- the derivative expires, is sold, terminated or exercised;
- the hedged item is sold, expires or is refunded;
- it is no longer highly probable that the future hedged transaction will be carried out.

Losses in value of non-financial assets

When events occur that suggest a reduction in the value of an asset, its recoverability is verified by comparing the book value with the related recoverable value, represented by the greater of the fair value, net of sales charges, and the value of use.
In the absence of a binding sales agreement, the fair value is estimated on the basis of the values expressed by an active market, by recent transactions or on the basis of the best information available to reflect the amount that the company could obtain from the sale of the asset.
The value in use is determined by discounting the expected cash flows deriving from the use of the asset and, if significant and reasonably determinable, from its sale at the end of its useful life. The cash flows are determined on the basis of reasonable and documentable assumptions representing the best estimate of the future economic conditions that will occur in the residual useful life of the asset, giving greater importance to indications coming from outside. Discounting is carried out at a rate that takes into account not only the risk implicit in the sector of activity, but also market assessments of the current value of money and the specific risks of the activity.
The valuation is carried out for a single asset or for the smallest identifiable set of assets that generates independent cash inflows deriving from continuous use (so-called cash generating unit). When the reasons for the write-downs carried out no longer exist, the assets, except goodwill, are revalued and the adjustment is charged to the income statement as a revaluation (restoration of value). The revaluation is carried out at the lower of the recoverable value and the book value gross of the write-downs previously carried out and reduced by the amortization quotas that would have been allocated if the write-down had not been carried out.

Goodwill is tested for impairment at least once a year (at each balance sheet reference date as of 31 December) and, more frequently, when circumstances suggest that the book value could be subject to impairment.
The loss of value on goodwill is determined by evaluating the recoverable value of the cash-generating unit (or group of cash-generating units) to which the goodwill is attributable. Where the recoverable value of the cash-generating unit is less than the book value of the cash-generating unit to which the goodwill has been allocated, an impairment loss is recognised. The reduction in the value of goodwill cannot be restored in future years.

Employee benefits

The severance pay falls within the scope of what IAS 19 defines as defined benefit plans within the scope of post-employment benefits. The accounting treatment envisaged for these forms of remuneration requires an actuarial calculation that allows the amount of severance pay already accrued to be projected into the future and updated to take into account the time that will pass before actual payment. In the actuarial calculation, some variables are considered such as the average tenure of employees, the level of inflation and expected interest rates. The measurement of the liability is carried out by an independent actuary. Following the amendment to IAS 19, effective for financial years starting from 1 January 2013 and subsequent years, the profits and losses deriving from the actuarial calculation for defined benefit plans are recognized in the statement of comprehensive income entirely in the period to which they refer. These actuarial gains and losses are immediately classified among retained earnings and are not reclassified in the income statement in subsequent periods. The social security cost relating to past work services (past service cost) is recognized on the most recent date among the following:

- the date on which a plan modification or reduction occurs; And
- the date on which the Group recognizes the related restructuring costs.

The Group recognizes changes in the net obligation for defined benefits in the statement of profit/(loss) for the year.

The defined benefit asset or liability includes the present value of the defined benefit obligation, less the fair value of the plan assets.
Finally, it is recalled that, following the 2007 reform of the national legislation that regulates it, for companies with more than 50 employees, the TFR accruing from 1 January 2007 is configured as a defined contribution plan, the payments of which are accounted for directly to income statement, as a cost, when recognized. The severance pay accrued up to 31.12.2006 remains a defined benefit plan, without future contributions. Therefore, its evaluation is carried out by independent actuaries based only on the average expected residual working life of employees, without considering the remuneration received by them during a predetermined period of service. The severance pay "accrued" before 1 January 2007 therefore undergoes a change in calculation due to the no longer existing actuarial hypotheses previously envisaged linked to salary increases. In particular, the liability connected to the "accrued TFR" is actuarially valued as of 1 January 2007 without application of the pro-rata (years of service already provided/total years of service), as the employee benefits accrued up to 31 December 2006 can be considered almost entirely accrued (with the sole exception of revaluation) in application of paragraph 67 (b) of IAS 19. It follows that, for the purposes of this calculation, the "current service costs" relating to the future work performance of employees are to be considered null as they represent contributions to the supplementary pension funds or the INPS Treasury Fund.

Provisions for risks and charges

Provisions for risks and charges concern costs and charges of a specific nature and of certain or probable existence which at the closing date of the financial year are undetermined in terms of amount or date of occurrence. Provisions are recognized when: (i) the existence of a current obligation, legal or implicit, deriving from a past event is probable; (ii) it is probable that fulfillment of the obligation will be onerous; (iii) the amount of the obligation can be reliably estimated. Provisions are recorded at the value representing the best estimate of the amount that the company would rationally pay to settle the obligation or to transfer it to third parties at the closing date of the period. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is discounted; the increase in the provision associated with the passage of time is charged to the income statement under the item "Financial income (expenses)". The customer supplementary indemnity fund, like the other provisions for risks and charges, was set aside on the basis of a reasonable estimate, taking into consideration the elements available, of the probable future liability.

Financial liabilities

Financial liabilities are initially measured at their fair value equal to the consideration received on the date, to which are added, in the case of debts and financing, the transaction costs directly attributable to them. Subsequently, non-derivative financial liabilities are measured with the amortized cost criterion using the effective interest rate method.

The Group's financial liabilities include trade and other debts, loans and derivative financial instruments.

Financial liabilities that fall within the scope of IFRS9 are classified as debts and financing, or as derivatives designated as hedging instruments, as appropriate. The Group determines the classification of its financial liabilities at the time of initial recognition.

Gains and losses are recognized in the income statement when the liability is extinguished, as well as through the amortization process.

The amortized cost is calculated by recognizing any acquisition discounts or premiums and fees or costs that are an integral part of the effective interest rate. Amortization at the effective interest rate is included among financial charges in the income statement.

A financial liability is canceled when the obligation underlying the liability is extinguished or canceled or fulfilled.

In cases where an existing financial liability is replaced by another from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially modified, such exchange or modification is treated as an accounting derecognition of the original liability and the recognition of a new liability, with recognition of any differences between the book values in the income statement.

Income taxes

Current income taxes are calculated based on estimated taxable income. Tax payables and credits for current taxes are recognized at the value that is expected to be paid/recovered to/from the tax authorities by applying the rates and tax legislation in force or substantially approved at the closing date of the period, taking into account the participation of some companies of the Group to the tax consolidation.

If there is uncertainty about treatments for income tax purposes, the Group must report the effect of the uncertainty for each uncertain tax treatment using one of the following methods: a) the most probable amount method; or b) the expected value method, i.e. the sum of the different amounts of a range of possible outcomes, weighted by the probability of their occurrence.
Deferred and prepaid income taxes are calculated on the temporary differences between the values of the assets and liabilities recorded in the financial statements and the corresponding values recognized for tax purposes.
Deferred taxes are recognized on all taxable temporary differences, with the following exceptions:

- deferred tax liabilities that arise from the initial recognition of goodwill or an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction itself, does not influence either the financial statement result or the tax result;
- the reversal of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures can be controlled, and it is probable that it will not occur in the foreseeable future.

In addition, they are also recognized on the dividends that the subsidiaries have decided to distribute.

Prepaid taxes are recognized against all deductible temporary differences, unused tax credits and losses that can be carried forward, to the extent that it is probable that sufficient future taxable income will be available, which can allow the use of the temporary differences deductible and tax credits and losses carried forward, except in cases where:

- deferred tax assets linked to deductible temporary differences derive from the initial recognition of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction itself, does not affect either the financial statement result or the tax result;
- in the case of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent that it is probable that they will reverse in the foreseeable future and that there will be sufficient taxable income to cover them the recovery of such temporary differences.

The recognition of deferred tax assets is carried out when their recovery is probable. Deferred tax assets and deferred tax liabilities are classified among non-current assets and liabilities and are offset if they refer to off-settable taxes. The balance of the compensation, if active, is recorded under the item "Deferred tax assets"; if passive, under the item “Deferred tax

liabilities". When the results of operations are recognized directly in equity, current taxes, deferred tax assets and deferred tax liabilities are also charged to equity.
Prepaid and deferred taxes are calculated on the basis of the tax rates that are expected to be applied in the year in which such assets are realized or such liabilities are extinguished.

Criteria for conversion of items in foreign currency

Foreign currency transactions are initially recognized in the functional currency, applying the spot exchange rate on the date of the transaction.
Monetary assets and liabilities, denominated in foreign currency, are converted into the functional currency at the exchange rate on the balance sheet date.
The differences are recognized in the income statement.

Revenue and cost recognition

Revenues from the sale of products and services are recognized when control of the goods and services promised to customers is transferred. The control of the goods by the customer normally identifies with the delivery of the goods except in specific cases which provide for other delivery terms.
Revenues from services are recognized on the basis of what is contractually envisaged and substantially when the obligation to perform is fulfilled.
Revenues are presented net of discounts, rebates, returns and year-end bonuses.
Revenues of a financial nature are recognized on an accrual basis.
Costs are recognized when they relate to goods and services purchased and/or received during the period and are presented net of discounts, rebates, returns and end-of-year bonuses.

Accounting treatment of financial assets/instruments

The group uses derivative financial instruments to hedge exposure to exchange rate risk on purchases and loans in currencies other than the functional currency, as well as exposure to the risk of changes in interest rates on some variable rate loans.
These derivative financial instruments are initially recognized at fair value on the date they are stipulated; subsequently this fair value is periodically remeasured; they are accounted for as assets when the fair value is positive and as liabilities when it is negative.
Fair value is the price that would be received for the sale of an asset, or that would be paid for the transfer of a liability, in a regular transaction between market operators on the measurement date.
The fair value of the derivative financial instruments used is determined with reference to the market value if it is possible to identify an active market for them. If, however, the market value of a financial instrument is not easily identifiable, but can be identified by its components or by a similar instrument, the market value is determined by evaluating the individual components of the instrument or similar instrument. Furthermore, for instruments for which it is not possible to easily identify an active market, the valuation is determined using the value resulting from generally accepted valuation models and techniques, which ensure a reasonable
approximation to market value. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized according to the fair value hierarchy, as described below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – Inputs other than quoted prices included in Level 1, directly or indirectly observable for the asset or liability;
- Level 3 – valuation techniques for which the input data are not observable for the asset or liability.

Derivatives are classified as hedging instruments when the relationship between the derivative and the object of the hedge is formally documented and the effectiveness of the hedge, verified periodically, is high. When derivatives cover the risk of changes in the cash flows of the instruments being hedged (cash flow hedge; e.g. hedging of the variability of the cash flows of assets/liabilities due to exchange rate fluctuations), the changes in the fair value of the derivatives are initially recognized in equity and subsequently charged to the income statement consistently with the economic effects produced by the hedged transaction. When the derivatives hedge the fair value risk, the change in the fair value of the hedging derivatives is recognized in the statement of profit/(loss) for the year among financial expenses. The change in the fair value of the hedged element attributable to the hedged risk is recognized as part of the carrying value of the hedged element and is also recognized in the statement of profit/(loss) for the year under financial expenses. Changes in the fair value of derivatives that do not satisfy the conditions to be classified as hedging are recognized in the income statement during the year.

Treasury shares

In the case of the purchase of own shares, the price paid, including any directly attributable accessory charges, is deducted from the Group's net equity until the cancellation, reissue or sale of the shares. When said treasury shares are resold or reissued, the price collected, net of any directly attributable ancillary charges and the related tax effect, is accounted for as Group Net Equity.
Therefore, no profit or loss is recognized in the consolidated income statement upon the purchase, sale or cancellation of treasury shares.

Main estimates adopted by management and discretional assessments

The preparation of the Group's financial statements requires directors to make discretionary assessments, estimates and hypotheses that influence the values of revenues, costs, assets and liabilities, as well as the indication of potential liabilities at the balance sheet date. However, the uncertainty regarding these hypotheses and estimates could lead to outcomes that will require, in the future, a significant adjustment to the book value of such assets and/or liabilities.

Estimates and hypotheses used

Presented below are key assumptions regarding the future and other important sources of uncertainty in estimates at the balance sheet date that could produce significant adjustments in the carrying values of assets and liabilities in future years. Realized results 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.

- Estimates adopted for the purpose of evaluating the losses in value of non-financial assets

For the purposes of verifying any loss in value of the goodwill recorded in the financial statements, the Company has adopted the methodology already described in the paragraph "Losses in value of non-financial assets".

The impairment test is carried out by comparing the book value with the recoverable value of each CGU. The recoverable value of a group of CGUs is determined with reference to the greater of the fair value net of sales costs and the value in use. In determining the value in use, future cash flows are discounted using a discount rate that reflects the current market assessment of the time value of money and the specific risks of the group of CGUs. The estimates and assumptions reflect the Company's state of knowledge regarding business developments and take into account prudent forecasts on future developments of the market in which the Company and the Group operate.

- Expected credit losses (devaluation of credits): the Company pays great attention to the management of trade credits 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 while maintaining closeness to the customer which allows timely credit management and strengthening of the relationship with the customer. In light of this, Management has carried out a prudential estimate of Expected credit losses, which may be confirmed in the coming months based on the collection activities undertaken to date.

- Economic and financial plans: the Company has reviewed the economic and financial and performance forecasts formalized in the 2024 Budget. Likewise, it has made forecasts reflected in the financial flows underlying the impairment test for the next three years. These forecasts may be further influenced in the coming months by developments linked to the evolution of the Foodservice market, expected to be positive with expectations of "out-of-home consumption" also supported by important tourist flows from abroad, despite the presence of an internal economic situation which could affect the spending capacity of the final consumer, from inflationary dynamics and from the trend of electricity tariffs.

- Estimates adopted in the actuarial calculation for the purpose of determining defined benefit plans in the context of post-employment benefits:
  - The expected inflation rate is 2.00%;
  - The discount rate used is 3.08% (duration 7-10);
  - The annual rate of increase in severance pay is expected to be 3.00%;
  - An employee turnover of 6.5% is expected

Based on these parameters, the evaluation carried out at 31 December 2023 for the purposes of IAS 19 determine the following result for Group companies:

Company *(euros)*	Defined Benefit Obligation al 31.12.23
MARR S.p.A.	5,096,231
New Catering S.r.l.	352,689
Antonio Verrini S.r.l.	1,021,175
	6,470,095

Below is the sensitivity analysis for each actuarial hypothesis relevant at 31 December 2023, showing the effects that would have occurred following changes in the actuarial hypotheses reasonably possible at that date.

Sensitivity analysis of the main evaluation parameters

Company (€)	*Turnover +1,00%*	*Turnover -1,00%*	*Inflation rate +0,25%*	*Inflation rate -0,25%*	*Discounting rate +0,25%*	*Discounting rate -0,25%*
MARR S.p.A.	5,102,352	5,089,703	5,136,382	5,056,532	5,033,964	5,159,958
New Catering S.r.l.	353,542	351,737	357,895	347,612	346,130	359,487
Antonio Verrini S.r.l.	1,023,444	1,018,695	1,030,875	1,011,617	1,006,185	1,036,601

- Estimates adopted in the actuarial calculation for the purpose of determining the customer supplementary indemnity fund:
  - the expected voluntary turnover rate is 13% for MARR S.p.A. and 5% for New Catering S.r.l.;
  - the expected corporate turnover rate is 2% for MARR S.p.A. and 7% for New Catering S.r.l.;
  - the discount rate used is 2.95%[VI].

- Estimates adopted in determining deferred taxes:
  A significant discretionary assessment is required from directors to determine the amount of deferred tax assets that can be accounted for. They must estimate the probable timing and amount of future taxable profits.

- Other:
  Other financial statement elements 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, still require assumptions to be made regarding mainly the future realizability of the value of the 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.

As regards climate change, please refer to what is reported in the Directors' Report. This aspect is constantly monitored in order to evaluate the possible impact on the estimates of the economic and financial forecasts. It should be noted that at the date of this report there are no significant risks linked to climate change that could lead to an adjustment of the accounting values of assets and liabilities or uncertainties that influence the hypotheses used to prepare the economic and financial estimates.

[VI] Average yield curve resulting from the IBOXX Eurozone Corporates AA index with a duration of 5 -7 years at the valuation date

Accounting policies, amendments and interpretations applicable as of 1 January 2023

The evaluation criteria used for the preparation of the consolidated accounting statements for the financial statements as at 31 December 2023 do not differ from those used for the preparation of the consolidated financial statements as at 31 December 2022, with the exception of the new accounting standards, amendments and interpretations applicable from 1 January 2023 set out below:

- On 18 May 2017, the IASB published the standard IFRS 17 – Insurance Contracts which is intended to replace the standard IFRS 4 – Insurance Contracts. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations arising from the insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies, providing a single principle-based framework for accounting for all types of insurance contracts, including reinsurance contracts that an insurer holds. The new standard also provides for presentation and disclosure requirements to improve comparability between entities belonging to this sector. The new standard measures an insurance contract based on a General Model or a simplified version of this, called Premium Allocation Approach ("PAA"). The main characteristics of the General Model are:
  - the estimates and hypotheses of future cash flows are always current ones;
  - measurement reflects the time value of money;
  - the estimates involve extensive use of information observable on the market;
  - there is a current and explicit measurement of risk;
  - the expected profit is deferred and aggregated into groups of insurance contracts at the time of initial recognition;
  - the expected profit is recognized in the period of contractual coverage taking into account the adjustments resulting from changes in the hypotheses relating to the financial flows relating to each group of contracts.

  The PAA approach involves measuring the liability for the residual coverage of a group of insurance contracts provided that, at the time of initial recognition, the entity expects that this liability reasonably represents an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA approach. The simplifications resulting from the application of the PAA method do not apply to the measurement of liabilities for outstanding claims, which are measured with the General Model. However, it is not necessary to discount those cash flows if it is expected that the balance to be paid or collected will occur within one year from the date on which the claim occurred. The entity must apply the new standard to insurance contracts issued, including reinsurance contracts issued, to reinsurance contracts held and also to investment contracts with a discretionary participation feature (DPF). Furthermore, on 9 December 2021, the IASB published an amendment called "Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendment is a transition option relating to comparative information on financial assets presented on the date of initial application of IFRS 17. The amendment was applied starting from 1 January 2023, together with the application of IFRS 17, to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and to improve the usefulness of comparative information for financial statement readers. The adoption of this standard and the related amendment did not have any effects on the consolidated financial statements of the MARR Group.
- The International Accounting Standards Board has published the document Deferred taxes relating to assets and liabilities arising from a single transaction (Amendments to IAS 12) which clarifies how companies account for deferred taxes on transactions such as leasing and decommissioning obligations. The main change to deferred taxes relating to assets and liabilities arising from a single transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided for by IAS 12.15 (b) and IAS 12.24. Consequently, the exemption from initial recognition does not apply to transactions in which deductible and taxable temporary differences of the same amount arise at the time of initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A. The entity that applies "Deferred taxes relating to assets and liabilities deriving from a single transaction" must also, at the beginning of the first comparative financial year presented:

  a) recognize the deferred tax asset, if it is probable that a taxable income will be realized against which the deductible temporary difference can be used, and the deferred tax liability for all deductible and taxable temporary differences associated with: i) substantial assets in the right of use and leasing liabilities; and ii) decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related activity; and

  b) recognize the cumulative effect of the first application of the changes as an adjustment to the opening balance of retained earnings (or, as the case may be, of another component of equity) on that date.

  The amendments were applied starting from 1 January 2023. The impacts of the application of the amendments to IAS 12 are represented in paragraph 20 "Deferred tax assets and liabilities for deferred tax liabilities". On 12 February 2021,

the IASB published two amendments called "Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates - Amendments to IAS 8".
The amendments to IAS 1 and IFRS Practice Statement 2 aim to make information on accounting principles more precise by replacing the obligation to indicate "relevant accounting principles" with the obligation to indicate "relevant information on accounting principles". The amendments also provide guidance on the circumstances in which information is likely to be considered material and therefore require disclosure.
The document modifies IAS 1 in the following ways:
• an entity is now required to provide its material accounting policy information rather than its significant accounting policies, several paragraphs have been added to explain how an entity can identify both material accounting policy information and provide examples of when it is information on accounting policies is likely to be material;
• the amendments clarify that the information in the accounting standards can be significant by their nature, even if the related amounts are irrelevant;
• the amendments clarify that information on accounting policies is relevant if users of an entity's financial statements would need it to understand other relevant information in the financial statements;
• the amendments clarify that if an entity provides immaterial information on accounting principles, such information must not obscure material information on accounting principles.
The aforementioned amendments have no effect on the measurement or presentation of financial statement items, but only on information regarding the accounting principles of the entities.
The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless they result from the correction of errors from prior periods. These amendments clarify how entities must make a distinction between changes in accounting estimates, changes in accounting policies and corrections of errors relating to previous periods.

- In December 2021, the Organization for Economic Co-operation and Development (OECD) published a draft legislative framework for a global minimum tax to be used by individual jurisdictions. The objective of the framework is to reduce the shifting of profits from one jurisdiction to another in order to reduce the overall tax burden of corporate groups. In March 2022, the OECD published a set of detailed technical guidance on Pillar Two standards. Stakeholders have expressed concerns to the IASB about the potential implications on the accounting for income taxes, and in particular on the accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the Amendments (the Amendments) International Tax Reform - Pillar Two, in response to the concerns of stakeholders on 23 May 2023. The adoption of this amendment did not have any effects on the consolidated financial statements of the MARR Group.

Accounting standards, amendments and interpretations applicable in future years

Below are the international standards approved by the EU, but not mandatory for IFRS 2023 financial statements, but which will be mandatory for financial statements starting from 1 January 2024:

• Amendments to IFRS 16: Liability in a Sale and Leaseback (amendments to IFRS 16 Leases);

• Amendments to IAS 1 - Presentation of financial statements:

  – Classification of Liabilities as Current or Non-Current;
  – Classification of Liabilities as Current or Non-Current - deferral of effective date;
  – Non-current Liabilities with Covenants.

Amendments to IFRS16: Liability in a Sale and Leaseback (amendments to IFRS16 Leases)

The International Accounting Standards Board (Board) published the Exposure Draft entitled Lease Liability in a Sale and Leaseback in 2020. This document specifies the method used by a selling lessee to initially measure the right-of-use asset and lease liability arising from a sale and leaseback transaction and how the selling lessor subsequently measures this liability.

In 2021 the Board reviewed the feedback received on the Exposure Draft. At its September 2021 meeting, the Interpretations Committee discussed the project and discussed the direction of the project considering this feedback. In September 2022, the IASB amended IFRS 16. The amendments add paragraph 102A to IFRS 16. According to this paragraph, the seller-lessee is required to determine the "lease rentals" or the "revised leasing rentals" so as not to detect any amount of profit or loss relating to the right of use retained by the seller-lessee itself. The paragraph does not prescribe a particular method for achieving this result.

Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity should classify liabilities as current or non-current.
These changes are expected to have a significant impact on many entities, with more liabilities classified as current, particularly those with loan covenants. The amendments are mandatory for financial statements beginning on or after January 1, 2023.
On 31 October 2022, the IASB published Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify how the conditions that an entity must comply with within twelve months of the balance sheet date affect the classification of a liability.
The amendments to IAS 1 specify that the covenants to be respected after the balance sheet date do not affect the classification of the debt as current or non-current at the balance sheet date. The amendments instead require a company to provide information on such covenants in the notes to the financial statements. The changes are effective for fiscal years beginning on or after January 1, 2024.

The Group is currently analyzing the principles indicated and evaluating whether their adoption will have a significant impact on the consolidated financial statements.

New standards and amendments issued by the IASB not yet approved by the EU

Below are the changes to the international standards issued by the IASB which, however, have not yet concluded the related endorsement process 4:
• amendments to IAS 7 - Cash flow statement and IFRS 7 - Financial instruments: Additional information: Supplier Finance Arrangements (issued on 25 May 2023);
• amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued 15 August 2023).
It is expected that the amendments to IAS 21 may be endorsed before the expected date of entry into force of 1 January 2025, while for the amendments to IAS 7 and IFRS 7 it is unlikely that the endorsement process will be concluded before the date effective scheduled for January 1, 2024.

Capital management policy

With regard to capital management, it is a priority for the Group to maintain an appropriate level of equity in relation to debt ("Net debt/Equity" or "gearing" ratio), in order to guarantee capital solidity that is adequate for the management of capital financial flows.

Taking into account that, due to the characteristics of the business managed by the Company, the financial requirement is identified with the exposure in terms of commercial net working capital, the main indicator for the management of cash flows is briefly represented by the trend in the ratio between capital net commercial working capital and revenues ("Trade NWC on Total revenues").
Furthermore, always in relation to the seasonality factor that characterizes its business, the Company monitors the performance of the individual components of commercial net working capital (trade receivables and payables and inventories) both in absolute value and in terms of days of exposure.
Capital management is then also measured using the main indicators of financial practice, such as: ROS, ROCE, ROE, Net Debt/Equity and Net Debt/EBITDA.

Financial risks management

The financial risks to which the Group is exposed in carrying out its business are the following:

- 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, part of the variable rate financial exposure.

Market risk

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

As of 31 December 2023, a 5% appreciation of the Euro against the US dollar and other currencies, all other variables being equal, would have been reflected in a greater pre-tax profit of 46 thousand euros (-263 thousand Euro in 2022), attributable to exchange gains (losses) on debts, trade receivables and cash denominated in foreign currencies, mainly dollars (due to the change in the fair value of current assets and liabilities).
The other equity items would have recorded a decrease of approximately 82 thousand euros (-37 thousand euros in 2022) attributable to the change in the cash flow hedge reserve (due to the change in the fair value of existing hedging contracts).
On the other hand, on the same date, a 5% weakening of the Euro against the US dollar and other currencies, all other variables being equal, would have been reflected in a greater pre-tax profit of 50 thousand euros (+100 thousand euros in 2022).
The other equity items would have recorded an increase of 108 thousand euros (+14 thousand euros at 31 December 2022), attributable to the change in the cash flow hedge reserve due to the change in the fair value of existing hedging contracts.

(ii) Interest rate risk: risks relating to changes in interest rates relate to financing. 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. To address this risk, the Parent Company has historically stipulated Interest Rate Swap contracts specifically related to partial or total hedging of some loans. Fixed rate loans expose the Group to the risk of changes in the fair value of the loans themselves.

In 2023, a hypothetical 10% increase or decrease in the interest rate, all other variables being equal, would have respectively produced a greater or lesser pre-tax charge (and therefore a corresponding change in net equity) of approximately 638 thousand of euros on an annual basis (175 thousand euros at 31 December 2022).

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

(iii) Price risk: the Group makes purchases and sales worldwide and is therefore exposed to the normal risk of price fluctuations typical of the sector.

Credit risk

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

The Group deals only with known and reliable customers. It is Group policy that customers who request deferred payment terms are subject to procedures to verify their merit class. Furthermore, the credit balance 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 the personal and fiscal data is collected and the information is verified - obtained both from the Sales Force and through the reading of 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 above-mentioned data and the approval of multiple corporate bodies according to the criteria indicated in the current policy.
Each new customer is assigned a credit line based on their potential and reliability, taking into account various information including the type of activity carried out, the number of years of activity, the reputation with other suppliers, the seasonality, the expected turnover and the agreed payment terms.

Once the above phase has been successfully completed, we enter the so-called monitoring phase of the commercial relationship.
In order to ensure risk containment and reduction of payment days, all orders received from customers are analyzed in terms of exceeding the assigned credit limit and/or the presence of expired exposure; this control involves the insertion of blocks on the records with different levels of severity as specified in the current policy.
The daily activity of order fulfillment control on customers who present situations of overdue and/or out of credit 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.

At the balance sheet reference date, the maximum exposure to credit risk is equal to the value of each category of credits indicated below:

(€ thousand)	31.12.23	31.12.22
Current trade receivables	345,093	348,718
Other non current receivables	26,586	21,561
Other current receivables	37,901	41,224
Total	409,580	411,503

As regards the comments on the categories, please refer to note 8 for "Other non-current active items", to note 11 for "Trade receivables" and to note 14 "Other current active items".

The fair value of the above categories is not indicated as the book value represents a reasonable approximation. The value of trade receivables, other non-current active items and other current active items can be classified as "Level 3" financial assets, i.e. those in which the inputs are not based on observable market data.

As of 31 December 2023, overdue trade receivables, net of the provision for bad debts, amounted to 77,212 thousand euros (74,015 thousand euros in 2022). The composition by maturity is as follows:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Overdue:		
Less than 30 days	34,073	32,875
betweeen 31 and 60 days	14,314	13,061
betweeen 61 and 90 days	8,988	8,147
Over 90 days	64,243	63,892
	121,618	117,975
- Provision for write-down of receivables from customers	(44,406)	(43,960)
Total overdue trade receivables	77,212	74,015

As at 31 December 2023, the trade receivables in dispute (all classified in the overdue category "over 90 days") which have a loss in value with a write-down amounted to 26,621 thousand euros (23,218 thousand euros as at 31 December 2022). These receivables are mainly related to customers in economic difficulty and the portion of these receivables that is not recoverable is specifically covered by the provision for bad debts.

Liquidity risk

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

As regards the management of resources absorbed by investment activities, priority is generally given to finding sources through specific long-term financing.

The following table analyzes the financial liabilities and derivative financial liabilities on the basis of the contractual maturity at the balance sheet date. Please note that the amounts indicated do not reflect book values as they consider expected future financial flows. Given the high volatility of the reference rates, the financial flows of the variable rate loans were estimated in line with what was done in previous years using a six-year rate determined by the IRS increased by the average spread applied to our medium-term loans. long term.

(€thousand)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 december 2023				
Borrowings	127,350	71,067	143,009	61,959
Financial payables for leases (IFRS 16)	14,075	13,769	35,181	29,019
Derivative financial instruments	0	0	68	0
Trade and other payables	350,223	0	0	0
	491,648	84,836	178,258	90,978
At 31 december 2022				
Borrowings	132,376	56,921	104,569	97,519
Financial payables for leases (IFRS 16)	12,960	12,457	31,512	33,266
Trade and other payables	365,359	0	0	0
	510,695	69,378	136,081	130,785

Classes of financial instruments

The following elements are accounted for in accordance with the accounting standards relating to financial instruments:

(€thousands)	31 December 2023			
Assets as per balance sheet	**Amortized Cost**	**Fair value through other comprehensive income (FVOCI)**	**Fair value through profit or loss (FVTPL)**	**Total**
Non-current financial receivables	9	0	0	9
Non-current derivative/financial instruments	0	126	0	126
Other non-current assets	26,586	0	0	26,586
Current financial receivables	9,818	0	0	9,818
Current derivative/financial instruments	0	2	0	2
Current trade receivables	345,093	0	0	345,093
Cash and cash equivalents	223,406	0	0	223,406
Other current receivables	37,901	0	0	37,901
Total	642,813	128	0	642,941
Liabilities as per balance sheet	**Amortized Cost**	**Fair value through other comprehensive income (FVOCI)**	**Fair value through profit or loss (FVTPL)**	**Total**
Non-current financial payables	257,436	0	0	257,436
Non-current lease liabilities (IFRS16)	69,816	0	0	69,816
Non-current derivative/financial instruments	0	68	0	68
Current financial payables	117,660	0	0	117,660
Current lease liabilities (IFRS16)	11,826	0	0	11,826
Current derivative/financial instruments	0	0	0	0
Total	456,738	68	0	456,806

(€thousands)	31 December 2022			
Assets as per balance sheet	**Amortized Cost**	**Fair value through other comprehensive income (FVOCI)**	**Fair value through profit or loss (FVTPL)**	**Total**
Non-current financial receivables	22	0	0	22
Non-current derivative/financial instruments	0	1,015	0	1,015
Other non-current assets	21,561	0	0	21,561
Current financial receivables	9,404	0	0	9,404
Current derivative/financial instruments	0	7	0	7
Current trade receivables	348,718	0	0	348,718
Cash and cash equivalents	191,664	0	0	191,664
Other current receivables	41,224	0	0	41,224
Total	612,593	1,022	0	613,615
Liabilities as per balance sheet	**Amortized Cost**	**Fair value through other comprehensive income (FVOCI)**	**Fair value through profit or loss (FVTPL)**	**Total**
Non-current financial payables	220,143	0	0	220,143
Non-current lease liabilities (IFRS16)	68,436	0	0	68,436
Non-current derivative/financial instruments	0	0	0	0
Current financial payables	120,248	0	0	120,248
Current lease liabilities (IFRS16)	10,813	0	0	10,813
Current derivative financial instruments	0	0	0	0
Total	419,640	0	0	419,640

In compliance with the requirements of IFRS 13, we indicate that derivative financial instruments, consisting of exchange and interest hedging contracts, can be classified as "Level 2" financial assets, as the inputs that have a significant effect on the fair value recorded are directly observable market data (exchange and interest rate markets)[VII]. Similarly, with regards to non-current financial debts, whose exposure at fair value is indicated in paragraph 16 of these explanatory notes, they can also be classified as "Level 2" financial assets, as the inputs that influence the fair value are directly observable market data.
With regard to other non-current and current active items, please refer to what is indicated in paragraphs 8 and 14 of these explanatory notes.

[VII] The group identifies as "Level 1" financial assets/liabilities those in which the inputs that have a significant effect on the recorded fair value are represented by prices quoted in an active market for similar assets or liabilities and which "Level 1" financial assets/liabilities 3" those in which the inputs are not based on observable market data.

Comments on the main items of the consolidated statement of financial position

ASSETS

Non-current assets

1. Tangible assets

Evidence of the movement of tangible fixed assets in 2023 and in the previous year is provided below.

(€thousand)	Balance at 31.12.23	Purchases	Other movements	Net decreases for divestments	Depreciation/ write down	Consolidation change	Balance at 31.12.22
Land and buildings	56,845	1,956	900	0	(2,861)	0	56,850
Improvements on leased facilities	2,917	464	0	0	(542)	0	2,995
Plant and machinery	10,146	3,206	91	0	(2,462)	0	9,311
Industrial and business equipment	2,663	603	0	(9)	(472)	0	2,541
Other assets	5,346	2,113	289	(55)	(1,526)	0	4,525
Fixed assets under development and advances	23,962	17,565	(1,280)	0	0	0	7,677
Total tangible assets	101,879	25,907	0	(64)	(7,863)	0	83,899

(€thousand)	Balance at 31.12.22	Purchases	Other movements	Net decreases for divestments	Depreciation/ write down	Consolidation change	Balance at 31.12.21
Land and buildings	56,850	51	(291)	(12)	(2,845)	0	59,947
Improvements on leased facilities	2,995	513	248	(51)	(496)	0	2,781
Plant and machinery	9,311	2,922	695	(110)	(2,354)	214	7,944
Industrial and business equipment	2,541	528	836	(10)	(520)	0	1,707
Other assets	4,525	1,302	201	(80)	(1,429)	130	4,401
Fixed assets under development and advances	7,677	6,858	(2,002)	0	0	0	2,821
Total tangible assets	83,899	12,174	(313)	(263)	(7,644)	344	79,601

During the 2023 financial year, purchases amounted to 25,907 thousand euros and mainly concerned the item "Assets in progress and advances" due to the progress of the construction works of the new distribution center in Bottanuco (Bergamo), which is expected to become operational in 2024. It should be noted that as of 31 December 2023, the investments completed in relation to the new unit amount to a total of 25 million euros, of which 17.4 million euros made during the year 2023 and classified by 17.1 million euros within the item "Assets in progress and advances" and for the remaining 305 thousand euros within the item "Land and Buildings".
This investment is aimed at increasing local presence, the level of customer service and distribution efficiency in what is the most important region in terms of non-domestic food consumption in Italy.

During the third quarter of 2023, the extension of the third floor of the management headquarters in Santarcangelo di Romagna (RN) was completed and became available for use in July, in whose rooms the new company Academy was built. The overall investment was 2.7 million euros, of which 2.3 million euros for interventions relating to the building included in the item "Land and buildings", 178 thousand euros for the purchase of furniture and furnishings and 193 thousand euros for the purchase of electronic office machines, both displayed under the item "Other assets".

The increases in the items "Plant and machinery", "Industrial and commercial equipment" and "Other assets" mainly refer to revamping interventions of the branches of the Parent Company MARR S.p.A.

For details relating to the movement of tangible assets, please refer to what is set out in Annex 4.
Please refer to Annex 9 for details of the Land and Buildings owned by the Group as of 31 December 2023.

2. Right of use

This item represents the discounted value of future rents relating to multi-year operating leasing contracts in place as of 31 December 2023, as required by IFRS16.

(€thousand)	Balance at 31.12.23	Purchases	Net decreases for divestments	Depreciation	Consolidation change	Balance at 31.12.22
Land and buildings - Rights of use	74,276	11,691	(1)	(11,251)	0	73,837
Other assets - Rights of use	2,963	2,168	(9)	(727)	0	1,531
Total Rights of use	77,239	13,859	(10)	(11,978)	0	75,368

(€thousand)	Balance at 31.12.22	Purchases	Net decreases for divestments	Depreciation	Consolidation change	Balance at 31.12.21
Land and buildings - Rights of use	73,837	12,570	(802)	(10,634)	2,839	69,864
Other assets - Rights of use	1,531	405	(37)	(988)	0	2,151
Total Rights of use	75,368	12,975	(839)	(11,622)	2,839	72,015

In order to provide a better understanding of this item, we provide below some details relating to its composition and movements during the year.

(€thousand)	NBV 31.12.23	Depreciation	Net decreases for divestments	Purchases	Consolidation change	NBV 31.12.22
Land and buildings - MARR	68,560	(10,395)	0	11,612	0	67,343
Land and buildings - New Catering	792	(192)	0	44	0	940
Land and buildings - Antonio Verrini	2,499	(428)	(1)	35	0	2,893
Land and buildings - Frigor Carni	2,425	(236)	0	0	0	2,661
Other assets - MARR	317	(147)	0	127	0	337
Other assets - New Catering	0	(8)	(9)	0	0	17
Other assets - Antonio Verrini	2,646	(572)	0	2,041	0	1,177
Total Rights of use	77,239	(11,978)	(10)	13,859	0	75,368

The data indicated above is represented by n. 106 rental contracts: n. 44 relating to the industrial buildings in which some branches of the Parent Company and the subsidiaries New Catering S.r.l., Antonio Verrini S.r.l. are based. and Frigor Carni S.r.l. and no. 62 contracts relating to other goods.

With reference to the movements shown, it should be noted that the increase in the right of use on the buildings of 11,612 thousand euros is mainly related to the extension of some lease contracts in which some branches of the parent company Marr S.p.A. operate.
The change in increase in the right of use on other assets for 2,041 thousand euros referring to the subsidiary Antonio Verrini S.r.l. mainly refers to the signing of new leasing contracts on trucks, while the increase in the right of use on other assets for 127 thousand euros refers to the parent company MARR S.p.A. it is mainly referred to the signing of some leasing contracts for forklifts.

For details relating to the movement of the right of use, please refer to what is set out in Annex 5.

For a better understanding of the impacts, we also report below the changes in the related overall financial liability generated by the application of IFRS16 (see paragraphs 17 and 23 for further details in this regard).

Lease liabilities for right of use *(€thousand)*	Balance at 31.12.23	Payments	Other movements	Consolidation change	Balance at 31.12.22
Land and buildings	78,639	(10,746)	11,691	0	77,694
Other assets	3,003	(710)	2,158	0	1,555
Total	81,642	(11,456)	13,849	0	79,249

(€thousand)	Liability at 31.12.22	Payments	Other movements	Consolidation change	Liability at 31.12.22
MARR S.p.A.	73,026	(10,097)	11,739	0	71,384
New Catering S.r.l.	845	(199)	36	0	1,008
Antonio Verrini S.r.l.	5,286	(955)	2,074	0	4,167
Frigor Carni S.r.l.	2,485	(205)	0	0	2,690
Total	81,642	(11,456)	13,849	0	79,249

3. Goodwill

The details of the "Goodwill" item are shown below:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
MARR S.p.A.	137,352	137,352
AS.CA S.p.a.	8,634	8,634
New Catering S.r.l.	5,082	5,082
Antonio Verrini S.r.l.	9,314	9,314
Frigor Carni S.r.l.	6,628	6,628
Total Goodwill	167,010	167,010

Impairment test

At the end of each financial year, the Company carries out a check on the recoverability of intangible assets with an indefinite life.

The recoverable value of the CGU, to which the individual assets have been attributed, is verified by determining the value in use.

Furthermore, it is recalled, as already highlighted in the notes to the financial statements of previous years, that management deems it correct to consider the individual subsidiaries as the smallest aggregate that generates independent cash flows (*'Cash Generating Unit'*).

In line with what was also done last year, as of 31 December 2023 the Management evaluates the return on the investment and therefore the recoverability of the goodwill at the aggregation level made up of MARR S.p.A and the subsidiary AS.CA S.p.A., based on the fact that from 1 February 2020 the subsidiary AS.CA S.p.A. rented its company to the parent company MARR and therefore the activities were integrated into those of the MARR Bologna and MARR Romagna branches.

The estimate of the value in use of the CGU for the purposes of the *impairment test* was based on the discounting of the cash flows of the CGU, determined on the basis of the economic and financial forecasts reported in the Business Plan for the years 2024 - 2026 approved by the Board of Administration dated December 14, 2023.

In particular, for the purposes of determining cash flows, revenues and margins were assumed as follows:
- the sales revenues for the year 2024 were considered in line with the forecasts of the 2024 Budget, which were carried out assuming growth compared to 2023 revenues of approximately 2% and an increase in the EBITDA margin of approximately 0.6 %, essentially attributable to the recovery of gross margins and an incidence of costs for services almost aligned with the 2023 values;
- the sales revenues for the years 2025 and 2026 were considered equal to the revenues of 2024 for all operating companies, considering a prudential growth of approximately 2.2%.

The investments were undertaken with reference to the forecasts reported in the Business Plan for the years 2024 - 2026, which in planning the investments up to the year 2026, envisaged a total outlay for the years from 2024 to 2026 of 237 million euros, without considering the outlays for the emergence of new business combinations. Investments deriving from the renewal of any expiring lease contracts were also considered.

The expected future cash flows, represented by the expected result of ordinary operations, to which depreciation is added and expected investments deducted, include a normalized value ("terminal value") used to estimate future results beyond the time frame explicitly considered relative to the period 2024-2026. The terminal value was determined using a long-term growth rate ("g rate") of 1.5%.

The expected future cash flows were discounted at a weighted average cost of capital ("WACC") rate equal to 8.41% (8.43% in the previous year) which reflects the current market assessment of the time value of money for the period considered and the specific risks of the country that makes up the individual CGU.
Below we report the main assumptions underlying the calculation of the WACC:

- the risk-free rate adopted refers to the average yield of the last quarter of the 10-year government bonds relating to the country Italy;
- the beta coefficient and the debt structure were considered taking as reference the average value of a panel of comparable companies;
- the tax rate used corresponds to the "regular" tax rate of the country that makes up the individual CGU.

In addition, it should be remembered that IFRS 16 has impacted both the carrying value of the net invested capital which includes the net book value of the rights of use at the balance sheet date and on the estimate of the 2024-2026 flows and the terminal value, mainly due to the greater operating cash inflows resulting from the positive effect on the Ebitda value and to greater cash outflows for investments which also include the flows deriving from the renewals of lease contracts.

Although the hypotheses on the macroeconomic context, the developments in the sector in which the Company operates, and the estimates of future cash flows are considered adequate and prudent, a sensitivity analysis was carried out on the WACC. In particular, the outcome of the impairment test was verified by applying the average value of the WACC proposed by the analysts (7.82% with a forecast of a long-term growth rate ("g rate") of 1.76%) and the maximum value proposed by analysts (9.60% with a forecast of a long-term growth rate ("g rate") of 2.5%).
Furthermore, it was determined on the basis of equal assumptions in determining the expected future cash flows for the years from 2024 to 2026 and in maintaining a long-term growth rate ("g rate") of 1.5%, what would be the value maximum WACC for the purposes of holding the test (so-called break-even WACC). On the individual financial flow generating units, the break-even WACC can be identified as follows:

MARR+ AS.CA	11,14%
New Catering	23,00%
Antonio Verrini S.r.l.	8,84%
Frigor Carni S.r.l.	9,95%

On the basis of the impairment test carried out according to the principles and hypotheses analytically set out above and in the section "Main estimates adopted by management and discretionary assessments", the value of the overall goodwill of 167,010 thousand euros is completely recoverable.
It should also be noted that management believes that, given the prudence used in defining the key hypotheses used, a change in them cannot reasonably occur such as to produce a recoverable value of the units lower than their book value.

Cash Generating Unit	Carrying amount 31.12.23	Net Present Value Free Cash Flow	Change: Net Present Value Free Cash Flow - Carrying Value
		WACC 8.41%	(g rate = 1.5%)
MARR S.p.A. + AS.CA S.p.A.	544,651	801,189	256,538
New Catering S.r.l.	8,696	25,465	16,769
Antonio Verrini S.r.l.	16,951	17,995	1,044
Frigor Carni S.r.l.	13,921	16,901	2,980
Total	584,219	861,550	277,331

The present value of Free Cash Flow represents the value in use which is determined by discounting the expected cash flows deriving from the *Cash Generating Unit*

Cash Generating Unit	Carrying amount 31.12.23	Net Present Value Free Cash Flow	Change: Net Present Value Free Cash Flow - Carrying Value
		WACC 7.82%	(g rate = 1.76%)
MARR S.p.A. + AS.CA S.p.A.	544,651	918,960	374,309
New Catering S.r.l.	8,696	28,878	20,182
Antonio Verrini S.r.l.	16,951	20,288	3,337
Frigor Carni S.r.l.	13,921	18,948	5,027
Total	584,219	987,074	402,855

Cash Generating Unit	Carrying amount 31.12.23	Net Present Value Free Cash Flow	Change: Net Present Value Free Cash Flow - Carrying Value
		WACC 9.60%	(g rate = 2.5%)
MARR S.p.A. + AS.CA S.p.A.	544,651	744,442	199,791
New Catering S.r.l.	8,696	24,650	15,954
Antonio Verrini S.r.l.	16,951	17,023	72
Frigor Carni S.r.l.	13,921	15,851	1,930
Total	584,219	801,966	217,747

Business combinations closed after the end of the year

No business combinations were finalized during the year or even after the balance sheet closing date.

4. Other intangible assets

Evidence of the movements in intangible assets in the year 2023 and in the previous year is provided below.

The increases for the year amounted to 730 thousand euros and concern the purchase of new licenses, software and applications, partly entered into operation and partly still in the implementation phase as of 31 December 2023 and therefore exposed to the item "Assets in progress and advances".

(€thousand)	Balance at 31.12.23	Purchases	Other movements	Net decreases	Depreciation	Consolidation change	Balance at 31.12.22
Patents	2,037	606	473	0	(691)	0	1,649
Concessions, licenses, trademarks and similar rights	397	0	0	0	(24)	0	421
Intangible assets under development and advances	948	124	(473)	0	0	0	1,297
Total Other Intangible Assets	3,382	730	0	0	(715)	0	3,367

(€thousand)	Balance at 31.12.22	Purchases	Other movements	Net decreases	Depreciation	Consolidation change	Balance at 31.12.21
Patents	1,649	535	150	0	(585)	9	1,540
Concessions, licenses, trademarks and similar rights	421	1	1	0	(24)	9	434
Intangible assets under development and advances	1,297	412	(150)	0	0	0	1,035
Total Other Intangible Assets	3,367	948	1	0	(609)	18	3,009

For details relating to the movement of intangible assets, please refer to what is set out in Annex 3.

5. Equity investments evaluated using the net equity method and investments in other companies

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Jolanda De Colò S.p.A.	1,828	1,828
Total investments evaluated using the equity method	1,828	1,828

Regarding the valuation of the shareholding, it should be noted that the purchase contract stipulated between MARR S.p.A. and the partners of Jolanda de Colò S.p.A. includes a series of put and call options. Management constantly monitors any accounting effects of these options and as of December 31, 2023 there are no impacts to be accounted for.

Below are the main data as of 31 December 2023 with reference to the associated company Jolanda de Colò S.p.A., 34% owned:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Jolanda De Colò S.p.A.		
Total Assets	11,081	10,910
Total Liabilities	11,081	10,910
Total Revenues	30,372	31,346
Result of the period	441	125

Below is the detail of the investments in other companies held at 31 December 2023.

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
- Investments in other company MARR S.p.A.		
Centro Agro-Al. Riminese S.p.A.	166	166
Conai - Cons. Naz. Imball. - Roma	1	1
Idroenergia Scrl	1	1
Banca Malatestiana Cr.Coop.vo	2	2
Consorzio Assindustria Energia	1	1
CAF dell'industria dell'Em. Romagna S.p.A.	2	2
	173	173
- Investments in other company New Catering S.r.l.		
Emil Banca	3	3
Banca di Credito Cooperativo di Forlì	1	1
Consorzio Bolognese Energia Gavani S.c.a.r.l. e CAF Industria Emilia Romagna	1	1
	5	5
Total investments in other companies	178	178

6. Non-current financial receivables

At 31 December 2023 this item amounted to 9 thousand euros (22 thousand euros at 31 December 2022) and includes the portion beyond one year of interest-bearing financial receivables from commercial partner companies.

7. Non-current derivative / financial instruments

The amount of 126 thousand euros at 31 December 2023 represented the positive fair value of the 2 Interest Rate Swap (IRS) derivative contracts stipulated to hedge the risk of changes in the interest rate on 70% of the value of the medium-term loan contract - long-term of 60 million euros subscribed by Marr S.p.A. on 1 July 2022 with Banca Nazionale del Lavoro S.p.A. (BNL) and Cooperatieve Rabobank U.A. (Rabobank).

8. Other non-current assets

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Non-current trade receivables	3,585	5,092
Accrued income and prepaid expenses	1,470	2,482
Tax credits transferred by third parties	16,806	0
Other non-current receivables	4,725	13,987
Total Other non-current assets	**26,586**	**21,561**

Non-current trade receivables, equal to 3,585 thousand euros, mostly relate to agreements and payment terms defined with customers. Their decrease is linked to the reimbursements made during the year.
Prepaid expenses are mainly linked to promotional contributions with customers of a multi-year nature.
The item Other non-current receivables mainly includes receivables from the tax authorities for VAT on customer losses for 3,678 thousand euros.
The item Tax credits transferred amounting to 16,806 thousand euros includes the tax credits received as a form of payment from some customers of the parent company MARR S.p.A. the use of which is permitted beyond 12 months. (the current portion of 6,162 thousand euros is classified under current assets within the item Tax credits).

The decrease in the item Other non-current receivables is mainly due to the short-term classification of the installments of advances to suppliers on fishing campaigns, in line with the forecasts of contractually envisaged arrears.

Current assets

9. Inventories

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Finished goods and goods for resale		
Foodstuff	62,185	63,609
Meat	20,489	20,959
Seafood	106,033	113,292
Fruit and vegetables	115	123
Hotel equipment	2,912	3,205
	191,734	201,188
provision for write-down of inventories	(1,368)	(1,368)
Goods in transit	8,129	5,762
Packaging	4,875	4,331
Total Inventories	203,370	209,913

The inventories are not encumbered by liens or other restrictions of ownership rights.
As regards the Inventory data, there was a decrease linked to greater efficiency in inventory rotation.

The movements for the year are shown below:

(€thousand)	Balance at 31.12.23	Change of the year	Consolidation change	Balance at 31.12.22
Finished goods and goods for resale	191,734	(9,454)	0	201,188
Goods in transit	8,129	2,367	0	5,762
Packaging	4,875	544	0	4,331
	204,738	(6,543)	0	211,281
Provision for write-down of inventories	(1,368)	0	0	(1,368)
Total Inventories	203,370	(6,543)	0	209,913

10. Financial receivables

The item "Current financial receivables" is made up of:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Financial receivables from Parent companies	9,818	9,404
Total Current financial receivables	9,818	9,404

It should be noted that receivables from parent companies also bear interest (at rates aligned with market rates).

11. Trade receivables

This item is made up of:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Trade receivables from customers	389,473	391,137
Trade receivables from Parent companies	26	1,541
Total current receivables	389,499	392,678
Provision for write-down of receivables from customers	(44,406)	(43,960)
Total current net receivables	345,093	348,718

Trade receivables from parent companies amounting to 26 thousand euros (1,541 thousand euros at 31 December 2022) refer to transactions of a commercial nature which took place during the year with the parent company Cremonini S.p.A..
As regards the item Trade receivables from customers and other companies of the Cremonini Group amounting to 389,473 thousand euros (391,137 thousand euros at 31 December 2022), the details are provided below.

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Trade receivables from customers	368,576	366,940
Receivables from Associated Companies	0	2
Receivables from Associated Companies Consolidated by the Cremonini Group	20,893	24,184
Receivables from Associated Companies not Consolidated by the Cremonini Group	4	11
Total current trade receivables from customers	389,473	391,137

Receivables from customers, due within the financial year, deriving partly from normal sales operations of goods and partly from the provision of services, were valued on the basis of what was previously indicated. The receivables are exposed net of a provision for write-downs of 44,406 thousand euros, as highlighted in the following movements.

Receivables "from associated companies consolidated by the Cremonini Group" (20,893 thousand euros) are analytically shown, together with the corresponding debt items, in Annex 7 of these Notes. These credits are all of a commercial nature.

The item Trade receivables is net of a credit transfer program on an ongoing and non-recourse basis following the Contract signed by the Parent Company initially in May 2014 and subsequently renewed in December 2018 for a further period of 5 years.
As of 31 December 2023, the outstanding amount transferred was equal to 84,044 thousand euros (81,846 thousand euros as of 31 December 2022), an increase compared to last year due to the increase in turnover.

Finally, it should be noted that as at 31 December 2023, payables to customers for end-of-year bonuses are classified as a reduction of the balance of Receivables from Customers.

Receivables in foreign currencies were adjusted to the exchange rate in force at 31 December 2023.

At each balance sheet reference date, receivables from customers are analyzed to verify the existence of indicators of a possible reduction in value. In order to carry out this analysis, the Company evaluates whether there are expected losses on receivables from customers over the entire duration of such receivables and takes into consideration the experience historically gained by the same regarding losses on receivables, grouped into homogeneous classes, and corrected on the basis of factors specific to the nature of the Group's receivables and the economic context. Trade receivables are written down when there is no rational expectation of being recovered and any write-down is recognized in the income statement under the item "losses due to impairment of financial assets measured at amortized cost".

The provision for bad debts, during 2023, changed as follows and the determination of the provision for the period reflects the exposure of the credits - net of the provision for bad debts - at their presumed realizable value.

(€thousand)	Balance at 31.12.23	Increases	Other movements	Drecreases	Consolidation change	Balance at 31.12.22
- Tax-deductible provision	2,221	2,161	36	(1,952)	0	1,976
- Taxed provision	42,181	12,120	(36)	(11,883)	0	41,980
- Provision for interest for late payments	4	0	0	0	0	4
Total Provision for write-down of Receivables from customers	44,406	14,281	0	(13,835)	0	43,960

12. Tax Receivables

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Ires/Irap tax advances /withholdings on interest	242	42
VAT carried forward	6,786	195
Irpeg litigation	25	25
Ires transferred to the Parent Company	12	4,148
Receivable for Irap	0	392
Tax credit	6,593	2,190
Other	255	292
Total Tax assets	13,913	7,284

The VAT credit item equal to 6,786 thousand euros refers to the VAT credit balance accrued as of 31 December 2023 by the Parent Company MARR S.p.A. and by the subsidiary New Catering S.r.l.. and will be recovered soon. It should be noted that in the year 2023 MARR and the Subsidiaries, except Antonio Verrini Srl, did not adhere to the so-called Group VAT Procedure with the Parent Company Cremonini S.p.A..

The amount of the item Tax credits equal to 6,593 thousand euros is made up of 6,162 thousand euros of the current portion of tax credits received as a form of payment from some customers of the parent company MARR S.p.A. and the remaining part is mainly made up of tax credits accrued by MARR S.p.A. and by subsidiaries on investments in capital goods. It should be noted that the portion of tax credits received as a form of payment by some customers of the parent company MARR S.p.A. whose use is permitted beyond 12 months is reclassified for 16,806 thousand euros in non-current assets within the item *"Other non-current active items"*.

At 31 December 2022 the item "IRES benefit transferred to the parent company" referred to the increased IRES advances paid during the financial year. In this regard, please note that the company adheres to the tax consolidation of the Cremonini Group.
The amount of 392 thousand euros relating to the item "Irap credit" was also related to the greater Irap advances paid during the financial year.

13. Cash and cash equivalents

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Cash and Cheques	17,479	15,258
Bank and postal accounts	205,927	176,406
Total Cash and cash equivalents	223,406	191,664

The balance represents the liquid assets and the existence of cash and values at the closing date of the financial year.

For the evolution of the net financial position, please refer to the financial statement for the year 2023, while for its composition, refer to the comments set out in the paragraph of the Directors' Report, "Analysis of the Net Financial Position".

14. Other current assets

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Accrued income and prepaid expenses	1,850	1,388
Other receivables	36,051	39,836
Total Other current assets	37,901	41,224

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Other accrued income (from loans)	*141*	*0*
Prepaid expenses		
Leases on buildings and other assets	2	2
Maintenance fees	543	387
Insurance costs/Administration services	118	160
Commercial and advertising costs	0	24
Other prepaid expenses	1,046	815
	1,709	*1,388*
expenses	1,850	1,388

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Guarantee deposits	184	151
Other sundry receivables	3,689	4,424
Provision for write-down of receivables from others	(5,257)	(3,162)
Receivables from social security institutions	729	553
Receivables from agents	2,083	2,173
Receivables from employees	44	83
Receivables from insurance companies	3,950	1,713
Advances and deposits	334	353
Advances to suppliers and supplier credit balances	30,163	33,128
Advances to suppliers and supplier credit balances from Associ	132	420
Total Other current receivables	36,051	39,836

Receivables from foreign suppliers in foreign currencies, where necessary, have been adjusted to the exchange rate of 31 December 2023.

The item "Advances and other receivables from suppliers" includes payments made to foreign suppliers (extracee) for the purchase of goods with "f.o.b." clause. or previews of upcoming fishing campaigns.

The item "Receivables from insurance companies" amounting to a total of 3,950 thousand euros refers for 2,090 thousand euros to the credit that the Parent Company MARR S.p.A. claims against the insurance company in relation to compensation for damages suffered following the fire at the MARR Sanremo branch in Taggia (Imperia) which occurred on 12 November 2022. This compensation falls within the scope of the events covered by the insurance policies and includes the components direct damage, damage from business interruption and goods in storage.
The residual amount of 1,860 thousand euros instead relates for 1,350 thousand euros to the credit that the subsidiary New Catering S.r.l. claims towards the insurance company in relation to compensation for the damages suffered by the Forlì operational unit following the flood events that hit the Emilia Romagna region in May 2023. This compensation falls within the scope of the events covered by the insurance policies and includes the components of direct damage and goods in storage.
For both claims, the preparatory assessments for reimbursement are being completed but to date there are no uncertainties regarding the year and quantum of the amounts indicated.
The remaining part of 510 thousand euros refers to various compensations of the Parent Company MARR S.p.A.

The provision for doubtful accounts receivable from others refers to receivables from commercial technicians and receivables from suppliers.

During the year the fund showed the following movements:

(€thousand)	Balance at 31.12.23	Increases	Decreases	Balance at 31.12.22
- Provision for Receivables from Others	5,257	2,520	(425)	3,162
Total Provision for write-down of Receivables from Others	5,257	2,520	(425)	3,162

Breakdown of receivables by geographical area

The breakdown of credits by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial receivables	9	0	0	9
Non-current derivative/financial instruments	126	0	0	126
Other non-current assets	25,999	0	587	26,586
Financial receivables	9,818	0	0	9,818
Current derivative/financial instruments	2	0	0	2
Trade receivables	323,625	14,529	6,939	345,093
Tax assets	13,838	75	0	13,913
Other current assets	15,460	2,461	19,980	37,901
Total receivables by geographical area	388,877	17,065	27,506	433,448

LIABILITIES

15. Shareholders' Equity

As regards the changes within the Shareholders' Equity, please refer to the relevant movement statement.

Social Capital
The Share Capital at 31 December 2023, equal to 33,263 thousand euros, is unchanged compared to the previous year and is represented by n. 66,525,120 ordinary shares of MARR S.p.A., fully subscribed and paid up, with regular dividend rights, with a nominal value of 0.50 euros each.

Share premium reserve
This reserve amounts to 63,348 thousand euros as of 31 December 2023 and is unchanged compared to 31 December 2022. It should be noted that part of this reserve, for a value of 7,272 thousand euros, is to be considered unavailable ex. art. 2357-ter of the Civil Code for the purchase of own shares. This amount is highlighted in the net equity movement table under the item "Purchase of treasury shares".

Legal reserve
This reserve amounts to 6,652 thousand euros and is unchanged compared to 31 December 2022.

Payment to shareholders' capital account
This reserve did not undergo changes during 2023 and amounts to 36,496 thousand euros.

IAS/IFRS transition reserve
It is the reserve equal to 7,293 thousand euros established following the first adoption of the international accounting standards.

Extraordinary reserve
This reserve amounts to 148,174 thousand euros and the increase for the year of 333 thousand euros derives from the allocation of the result for the 2022 financial year.

Cash flow hedge reserve
This item amounts to a positive value of 46 thousand euros at 31 December 2023 and is linked to the stipulation of three contracts to hedge the risk of changes in the interest rate on medium-long term financing contracts.

Reserve stock options
This reserve did not undergo changes during the year as the repayment plan concluded in April 2007 and amounts to 1,475 thousand euros.

Reserve IAS19
This reserve amounts to a positive value of 520 thousand euros as at 31 December 2023 and includes the value, net of the tax effect, of the actuarial losses and profits relating to the evaluation of severance pay as established by the amendments made to IAS 19 "Benefits for employees", applicable to financial years starting from 1 January 2013. These profits/losses were accounted for, consistently with the provisions of the IFRS, in equity and their change in the financial year was highlighted (as required by IAS 1revised, applicable from 1 January 2009) in the statement of overall consolidated economic result.

Reserve ex. Art. 55 Presidential Decree 917/86
The related deferred tax liabilities have been accounted for on the reserves in suspension of taxation (reserve pursuant to Art. 55 Presidential Decree 917/86 and 597/73), which at 31 December 2023 amounted to 1,432 thousand euros.

Non-current liabilities

16. Non-current financial payables

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Payables to banks - non-current portion	157,532	119,769
Payables to other financial institutions - non-current portion	99,904	99,874
Payables for the purchase of quotas or shares (1-5 years)	0	500
Total non-current financial payables	257,436	220,143

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Payables to banks (1-5 years)	157,532	111,753
Payables to banks (over 5 years)	0	8,016
Total payables to banks - Non-current portion	157,532	119,769

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Payables to other financial institutions (1-5 years)	39,924	19,913
Payables to other financisl institutions (over 5 years)	59,980	79,961
Total payables to other financial institutions - Non-current portion	99,904	99,874

The balance of non-current financial payables amounting to a total of 257,436 thousand euros is made up of 157,532 thousand euros of the portion beyond 12 months of debts to banks and 99,904 thousand euros of the residual debt relating to the bond loan with PRICOA expiring July 29, 2031.

The change in long-term bank debt is the result of the combined effect of the repayments linked to the ordinary progress of the amortization plans of existing medium-long term loans and the increases linked to new loans taken out during the year.
In particular, during the year the Parent Company MARR S.p.A. repaid installments of medium-long term loans for a total of 101.9 million euros and subscribed to loans for a total amount of 110 million euros, as indicated below:

- on 20 February 2023, a medium-term loan contract of 5 million euros was signed with Credito Emiliano with a 36-month amortizing term with quarterly installments and a 12-month pre-amortization, with disbursement on the same date. The contract does not include financial covenants.
- on 29 March 2023, a medium-term loan contract of 5 million euros with Bcc Carate Brianza was signed, with disbursement on the same date, for 54 months in amortizing terms with quarterly installments and a pre-amortization of 6 months. The contract does not include financial covenants.
- on 18 April 2023, a medium-term loan contract of 10 million euros was signed with Cassa di Risparmio di Bolzano SpA for 48 months in amortizing with quarterly instalments, with disbursement on 19 April 2023.
The contract includes financial covenants.
- on 15 June 2023, a medium-term loan contract of 25 million euros with Intesa Sanpaolo was signed with disbursement on 19 June 2023 with a 48-month amortizing term with half-yearly installments and a 12-month grace period. The contract includes financial covenants.
- on 20 June 2023, a medium-term loan contract of 5 million euros was signed with Banca di Credito Cooperativo RivieraBanca for 48 months in amortizing with quarterly instalments, with disbursement on the same date 20 June 2023. The contract does not include financial covenants.
- on 29 June 2023 it signed a medium-term loan agreement with UniCredit with disbursement on 3 July 2023, for the amount of 30 million euros over 36 months in amortizing with half-yearly installments and a 6-month grace period. The contract includes financial covenants.

- on 22 November 2023, a medium-term loan agreement for the amount of 30 million euros with BNL was signed, with disbursement on the same date, with a 60-month amortizing term with half-yearly installments and a 12-month grace period. The contract includes financial covenants.

Below is the breakdown of the medium and long-term portion of debts to banks with an indication of the interest rates applied:

Credit institutes	Interest rate	Expiry	Portion from 2 to 5 years	Portion beyond 5 years	Balance at 31.12.23
Crédit Agricole	Euribor 6m +0,90%	09/04/2026	2,614	0	2,614
Banca Popolare dell'Emilia Romagna	Euribor 6m +1,15%	25/10/2025	2,526	0	2,526
Crédit Agricole	Euribor 3m +1,25%	28/06/2028	9,100	0	9,100
BNL-Rabobank	Euribor 6m +1,5%	01/07/2028	46,542	0	46,542
ICCREA	Euribor 3m +1,15%	10/08/2025	7,566	0	7,566
Cassa di Risparmio di Ravenna	Euribor 3m +1,5%	11/08/2027	4,040	0	4,040
Credem	Euribor 3m +1,1%	20/02/2026	3,183	0	3,183
BCC Carate Brianza	Euribor 3m +1,3%	29/09/2027	3,541	0	3,541
Cassa di Risparmio di Bolzano	Euribor 3m +1,60%	30/06/2027	6,467	0	6,467
Intesa Sanpaolo	Euribor 6m +1,75%	15/06/2027	20,781	0	20,781
BCC Riviera Banca	Euribor 3m +1,1%	20/06/2027	3,228	0	3,228
Unicredit	Euribor 6m +1,75%	29/06/2026	17,976	0	17,976
BNL	Euribor 6m +1,2%	22/11/2028	29,968	0	29,968
			157,532	0	157,532

It should be noted that as of 31 December 2023 there are no mortgage guarantees encumbering the Group's properties.

The following table contains a detailed description of the financial covenants in place as of 31 December 2023 and the related financing.

			Covenants			Reference Date	
Credit institutes	Due date	Residual value	NFP/ Net Equity	NFP/ EBITDA	EBITDA/ Net financial charges	30 June	31 December
Credito Valtellinese	05/01/2024	1,261	=< 2.0	=< 3.5			✔
Crédit Agricole	09/04/2026	4,253	=< 2.0	=< 4.0			✔
Popolare dell'Emilia Romagna	25/10/2025	5,035	=< 2.0	=< 4.0			✔
Crédit Agricole	28/06/2028	11,408	=< 2.0	=< 3.5			✔
BNL-Rabobank	01/07/2028	59,803	=< 1.5	=< 3.5	>= 4.0		✔
Cassa di Risparmio di Bolzano	30/06/2027	8,849	=< 2.0	=< 4.0			✔
Intesa Sanpaolo	15/06/2027	24,907	=< 2.0	=< 3.5	>= 4.0		✔
Unicredit	29/06/2026	29,940	=< 2.0	=< 3.5	>= 4.0	✔	✔
BNL	22/11/2028	29,957	=< 1.5	=< 3.5	>= 4.0		✔
		175,413					
PRICOA Private Placement bond	29/07/2031	99,884	=< 1.5	=< 3.5	>= 4.0	✔	✔
		99,884					

All financial covenants were respected both at 30 June 2023 and 31 December 2023.

The item Payables to other financiers, the non-current portion of 99,904 thousand euros, refers entirely to the debt relating to the bond loan with PRICOA having a fixed rate of 1.65% and expiring on 29 July 2031.

17. Non-current lease liabilities (IFRS16)

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Financial payables for leases - Right of use (2-5 years)	43,440	38,359
Financial payables for leases - Right of use (over 5 years)	26,376	30,077
Total payables for leases - Right of use - Non-current portion	69,816	68,436

This item includes the financial debt mainly related to the multi-year lease contracts of the properties where some of MARR's branches are located.
The liability was recognized in accordance with the provisions of the IFRS16 accounting standard and is determined as the present value of future lease payments, discounted at a marginal interest rate which, on the basis of the contractual duration envisaged for each individual contract, was identified in a range between 1% and 5.7%.

18. Employee benefits

The item includes the debt for severance pay, for which the changes in the period are shown:

(€thousand)	
Opening balance at 31.12.22	*7,207*
payments of the period	(965)
provision for the period	569
other changes	(139)
Closing balance at 31.12.23	6,672

The employment contract applied is that of companies operating in the "Tertiary, Distribution and Services" sector.

19. Provisions for non-current risks and charges

(€thousand)	Balance at 31.12.23	Provisions	Decreases	Balance at 31.12.22
Provision for supplementary clients severance indemnity	5,225	363	(551)	5,413
Provision for specific risks	1,330	450	(273)	1,153
Total Provisions for non-current risks and charges	6,555	813	(824)	6,566

The customer supplementary indemnity fund was set aside, in line with the provisions of IAS 37, based on the reasonable estimate, taking into consideration the elements available, of the probable future liability.

The *provision for specific risks* was set aside mainly for probable liabilities connected to some ongoing legal disputes and its decrease is related to the settlement of some of the ongoing disputes.
In relation to the ongoing disputes with the Customs Agency (which arose during 2007 regarding the payment of preferential customs duties on certain imports of fish products and for which, despite the Company's appeals having been rejected, the first instance judges have ascertained its absolute non-involvement in the contested irregularities, as they are attributable exclusively to its suppliers) with sentence no. 110/2020 issued by the Regional Tax Commission of Tuscany on 19 April 2021, the judges of merit expressed their opinion in favor of the Company, fully confirming what has already been established by the Supreme Court of Cassation with order number 15358/19 of 04/16/2019.
Potential liabilities.

In relation to the disputes in court originating from the INPS inspection reports notified in 2021 due to the solidarity obligation pursuant to art.29 Legislative Decree 276/2003 relating to disputed omissions of contribution payments and/or undue compensation to burden on contracting companies for handling and porterage services that have ceased to operate for MARR, it is believed that significant economic damage cannot result and in any case not at present borne by MARR.
This assessment is supported by the progress of the ongoing appeal proceedings, as highlighted by the findings of the case and the notes of the prosecutor's consultants in the disputes.

20. Deferred tax assets and deferred tax liabilities

At 31 December 2023 this item amounts to a net liability of 1,110 thousand euros (1,655 thousand euros at 31 December 2022).

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
On taxed provisions	12,374	11,850
On costs deductible in cash	108	131
On costs deductible in subsequent years	1,971	1,664
On IFRS16 recalculation	1,766	2,145
On other changes	1	9
Deferred tax assets	16,220	15,799
On goodwill amortisation reversal	(10,573)	(10,081)
On funds subject to suspended taxation	(401)	(403)
On leasing recalculation as per IAS 17	(449)	(449)
On actuarial calc. of severance provision fund	135	111
On fair value revaluation of land and buildings	(3,285)	(3,285)
On allocation of acquired companies' goodwill	(643)	(651)
On IFRS16 recalculation	(1,723)	(2,114)
Others	(392)	(582)
Deferred tax liabilities	(17,330)	(17,454)
Deferred tax assets/(liabilities)	(1,110)	(1,655)

As required by the amendment to IAS 12, the table shows the gross effect of prepaid and deferred taxes relating to the impacts of IFRS 16. To ensure the comparability of the data, the values for the 2022 financial year have been restated. This change does not has an impact on the financial statements as the net effect of deferred tax assets and deferred tax liabilities is exposed.

21. Other non-current payables

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Other non current liabilities	4,700	3,160
Other non-current accrued expenses and deferred income	393	591
Total other non-current payables	5,093	3,751

The item "other miscellaneous debts" is represented by security deposits paid by transporters.
The item "accruals and deferred income" represents the portion beyond one year of deferred income on interest income from customers.

Current liabilities

22. Current financial payables

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Payables to banks	114,781	115,722
Payables to other financial institutions	679	826
Payables for the purchase of quotas/shares/going concern	2,200	3,700
Total Current financial payables	117,660	120,248

Payables to banks current portion:

(€thousand)	Balance at 31.12.23		Balance at 31.12.22	
Current accounts		653		740
Loans/Advances		44,034		15,077
Loans:				
- Cassa di Risparmio di Ravenna	0		843	
- BNL	0		29,992	
- Credito Valtellinese	1,261		2,512	
- Riviera Banca	0		1,504	
- Intesa San Paolo Tranche A	0		3,999	
- Intesa San Paolo Tranche B	0		29,999	
- Credito Emiliano	0		940	
- Crédit Agricole	1,639		1,611	
- Ubi Banca	0		5,032	
- Riviera Banca	5,015		4,980	
- Cassa Centrale Pool	10,170		9,902	
- Bper	2,509		2,491	
- Crédit Agricole	2,308		2,334	
- BNL-Rabobank	13,261		0	
- ICCREA	9,955		2,454	
- Cassa di Risparmio di Ravenna	1,324		1,312	
- Credem	1,815		0	
- BCC Carate Brianza	1,173		0	
- Cassa di Risparmio di Bolzano	2,382		0	
- Intesa San Paolo	4,126		0	
- Riviera Banca	1,192		0	
- Unicredit	11,964		0	
		70,094		99,905
		114,781		115,722

As regards the movement of mortgages and loans, please refer to what has already been stated in paragraph 16 "Non-current financial payables".

It should be noted that the item "Loans/Advances" of 44,034 thousand euros refers to SBF and import c/o advances.

23. Current lease liabilities (IFRS16)

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Financial payables for leases - Right of use	11,826	10,813
Total Payables for leases - Current portion	11,826	10,813

This item includes the financial debt expiring within one year mainly related to the multi-year lease contracts of the properties where the branches of the Parent Company and the subsidiaries New Catering S.r.l, Antonio Verrini S.r.l. are based. and Frigor Carni S.r.l..
As also reported in paragraph 17 with reference to the non-current portion of financial payables for leases, it is recalled that the liability was recognized in accordance with the provisions of the IFRS16 accounting standard and is determined as the present value of future lease payments, discounted to a marginal interest rate which, based on the contractual duration envisaged for each individual contract, has been identified in a range between 1% and 5.7%.

24. Current tax liabilities

The composition of the entry is as follows:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Irap	1,726	280
Ires trasferred to Parent Company	8,233	0
Other taxes payables	653	367
Irpef for employees	1,515	1,425
Irpef for external assistants	283	403
Total current tributary payables	12,410	2,475

This item refers to tax debts that are certain and determined in amount.

The item "Irap debt" equal to 1,726 thousand euros represents the amount owed to the tax authorities by the Group companies. The amount is shown net of advances paid during the financial year.

The item "IRES charge transferred to the Parent Company" equal to 8,233 thousand euros refers to the IRES debt balance at 31 December 2023, net of advances paid during the financial year. All subsidiaries, except Cremonagel S.r.l. adhere to the tax consolidation of the Cremonini Group.

Finally, evidence is given of the fact that for MARR S.p.A., due to the ordinary assessment deadlines and except for the tax disputes currently pending, the financial years 2018 and following are still verifiable by the tax authorities.

25. Current trade liabilities

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Payables to suppliers	334,671	335,875
Trade payables to Parent Company	620	482
Payables to Associated Companies consolidated by the Cremonini Group	14,837	28,897
Payables to Associated Companies	32	0
Payables to other Correlated Companies	63	105
Total current trade liabilities	350,223	365,359

Trade payables mainly refer to balances deriving from operations for the purchase of goods intended for marketing and the debt to commercial agents. They also include "Payables to associated companies consolidated by the Cremonini Group" for 14,837 thousand euros and "Trade payables to Parents" for 620 thousand euros, the analytical detail of which is set out in Attachment 7 of these Notes.

26. Other current liabilities

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Current accrued income and prepaid expenses	217	242
Other payables	17,181	14,110
Total other current liabilities	17,398	14,352

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Other accrued expenses	31	57
Other accrued expenses - unconsolidate Correlated Company	19	25
Other deferred income	154	148
Deferred income for interest from clients	13	12
Total current accrued expenses and deferred income	217	242

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Inps/Inail and other social security institutes	2,852	2,379
Enasarco/ FIRR	996	865
Payables to personnel for emoluments	6,335	5,882
Amounts due for remuneration of employees/directors	1,389	1,274
Advances from customers, customers credit balances	2,016	1,843
Advances from customers, customers credit balances - Associated Company	35	200
Payables to Directors	234	488
Other sundry payables	3,324	1,179
Total other payables	17,181	14,110

The items *"Debts to staff for emoluments"* and *"Accruals for emoluments. to employees/directors"* include the current salaries still to be paid as of 31 December 2023 and the allocations relating to accrued and untaken holidays and related charges.
It should be noted that the amount of payables to customers for year-end bonuses is classified as a reduction of commercial activities rather than in other payables.

Breakdown of payables by geographical area

The breakdown of debts by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial payables	257,436	0	0	257,436
Non-current lease liabilities (IFRS16)	69,816	0	0	69,816
Non current derivative financial instruments	68	0	0	68
Employee benefits	6,672	0	0	6,672
Provisions for risks and charges	6,555	0	0	6,555
Deferred tax liabilities	1,110	0	0	1,110
Other non-current liabilities	5,093	0	0	5,093
Current financial payables	117,660	0	0	117,660
Current lease liabilities (IFRS16)	11,826	0	0	11,826
Current tax liabilities	12,410	0	0	12,410
Current trade liabilities	306,014	32,431	11,778	350,223
Other current liabilities	17,332	53	13	17,398
Total payables by geographical area	811,992	32,484	11,791	856,267

Guarantees, securities and commitments

These are guarantees given both by third parties and by our Company for debts and other obligations.

Guarantees (for a total of 33,484 thousand euros) referring to:

- guarantees issued on behalf of MARR S.p.A. in favor of third parties (equal to 33,444 thousand euros). These are sureties given, upon our request, by credit institutions to guarantee the correct and punctual execution of procurement and non-procurement contracts, with both annual and multi-annual durations;

- sureties given by MARR S.p.A. in favor of financial institutions in the interest of subsidiary companies. At 31 December 2023 this item amounted to 40 thousand euros and refers to the credit lines granted to investee companies, as detailed below:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Guarantees		
Antonio Verrini S.r.l.	40	40
Total Guarantees	40	40

Real guarantees given

As of 31 December 2023, there are no mortgage guarantees in place on the properties of the Group companies.

Other risks and commitments

This item includes 12,602 thousand euros relating to letters of credit issued by some credit institutions to guarantee obligations undertaken with our foreign suppliers.

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

27. Revenues

Revenues are made up of:

(€thousand)	31.12.2023	31.12.2022
Revenues from sales - Goods	2,029,332	1,878,313
Revenues from Services	223	162
Advisory services to third parties	156	226
Manufacturing on behalf of third parties	26	24
Rent income (typical management)	9	15
Other services	230	136
Total revenues	2,029,976	1,878,876

Total revenues compared to the last financial year were characterized by an increase of 151,100 thousand euros (+8.04%). For a more detailed analysis of the revenue trend and the comparison with the same period of the previous year, please refer to what is stated 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)	31.12.2023	31.12.2022
Italy	1,938,186	1,791,310
European Union	69,830	56,865
Extra-EU countries	21,960	30,701
Total	2,029,976	1,878,876

It should be noted that there are no customers who can generate a significant concentration of revenues (equal to 10% of total revenues). It should also be noted that the ongoing Russian-Ukrainian conflict has no direct effects on revenues.

28. Other revenues

Other revenues and income are made up as follows:

(€thousand)	31.12.2023	31.12.2022
Other Sundry earnings and proceeds	2,467	1,933
Revenues for accrued tax credits	1,633	3,298
Reimbursement for damages suffered	3,880	2,595
Reimbursement of expenses incurred	587	389
Recovery of legal taxes	62	142
Capital gains on disposal of assets	85	88
Total other revenues	8,714	8,445

The Other miscellaneous item is made up of approximately 400 thousand euros of revenues deriving from the sale of packaging, 228 thousand euros of gifts from suppliers and the remaining part of proceeds deriving from the closure of cost allocations from previous years and from the closure of previous disputes with agents.

The item Revenues from tax credits includes 1,633 thousand euros of the amount of extraordinary contributions granted in the form of tax credits in relation to the first half of 2023 by the Italian Government in favor of companies with high

consumption of electricity and natural gas to mitigate the sudden and disproportionate increase in the prices of energy raw materials. Last year the amount of these tax credits was equal to 3,193 thousand euros.
For the Marr Group, consumption mainly refers to the electricity necessary for the operation of the refrigeration and cooling systems and that the gas is used in a residual manner only for heating the buildings.
The companies of the Marr Group, within the regulatory framework that governs the requirements for access to the benefit, all qualify as "Non-energy-intensive companies" and "Non-gas-intensive companies".

The item Reimbursement for damages suffered includes the amount of the insurance compensation of the subsidiary New Catering S.r.l. for 1,350 thousand euros. for the damages suffered by the Forlì operational unit following the flood events that hit the Emilia Romagna region in May 2023 and for 530 thousand euros the integration of the insurance reimbursement following the arson fire that on 12 November 2022 destroyed the MARR Sanremo branch of the Parent Company MARR S.p.A.. In this regard, it is specified that as of 31 December 2022 the Parent Company MARR S.p.A. had registered a reimbursement amount of 1,560 thousand euros in relation to this accident.
For both claims, following the opening of the related reports and the checks carried out, there is no uncertainty as to whether the damages will be adequately compensated.

29. Purchase of goods for resale and consumables

The entry is made up of:

(€thousand)	31.12.2023	31.12.2022
Purchase of goods	1,592,235	1,504,597
Purchase of packages and packing material	6,453	7,700
Purchase of stationery and printed paper	1,008	951
Purchase of promotional and sales materials and catalogues	200	212
Purchase of various materials	563	655
Fuel for industrial motor vehicles and cars	1,025	934
Total purchase of goods for resale and consumables	1,601,484	1,515,049

Regarding the trend in the cost of purchasing goods intended for marketing, please refer to the Directors' Report and the related comment on the first margin. In absolute terms, the increase is directly linked to the increase in sales volumes compared to the previous year.

It should also be noted that the item "Purchase of goods" is shown net of both the bonuses recognized by suppliers upon reaching certain turnover targets and purchase volumes for the amount of 11,408 thousand euros (11,019 thousand euros at 31 December 2022) and the contributions received from suppliers for the promotional and marketing activities carried out by the Group for them for the amount of 46,811 thousand euros (43,190 thousand euros at 31 December 2022).
At the balance sheet level, these amounts are shown as a decrease in the Current Commercial Liabilities item.

30. Personnel costs

(€thousand)	31.12.2023	31.12.2022
Salaries and wages	34,306	32,922
Social security contributions	10,099	9,707
Staff Severance Provision	2,556	2,355
Other Costs	292	293
Total personnel costs	47,253	45,277

The item includes all expenses for employee personnel, including accrued holidays and additional monthly payments as well as related social security charges, in addition to the provision for severance pay and other contractually envisaged costs.

Personnel costs recorded an increase of 1,976 million euros compared to the same period of the previous year due to the increase in the number of employees. MARR Group employees at the end of December 2023 amounted to 1,010 with an increase of 53 units compared to the end of 2022 (957 employees). The increase of 53 employees is linked to the entry into the consolidation area of the company Cremonagel S.r.l. which includes 20 employees as of 31 December 2023 and the remaining part is connected to hirings carried out mainly by the Parent Company MARR S.p.A. to strengthen some company functions.

Below is the detail of the Group's workforce and the breakdown of employees by category:

	Workers	Employees	Managers	Total
Employees at 31.12.22	260	689	8	957
Net increases and decreases	*(29)*	*81*	*1*	*53*
Employees at 31.12.23	231	770	9	1010
Average employees at 31.12.23	245.7	752.8	8.5	1006.9

31. Amortizations, depreciation and provisions

(€thousand)	31.12.2023	31.12.2022
Depreciation of tangible assets	7,857	7,638
Depreciation of right of use	11,978	11,622
Amortization of intangible assets	715	609
Adjustment to provision for supplementary clientele severance indemnity	363	137
Allocation of provision for risks and losses	450	200
Total amortization, depreciation and provisions	21,363	20,206

As regards depreciation, please refer to the movements shown in paragraphs 1, 2 and 4 relating to fixed assets.

32. Losses due to impairment of financial assets measured at amortized cost

(€thousand)	31.12.2023	31.12.2022
Allocation of taxable provisions for bad debts	14,641	13,509
Allocation of non-taxable provisions for bad debts	2,161	2,124
Total Losses due to impairment of financial assets	16,802	15,633

The increase in the item is mainly related to a greater provision made at 31 December 2023 following the increase in the amount of trade receivables resulting from the increase in sales volumes recorded in the year.
As regards the provisions to the provisions, please refer to the movements set out in paragraphs 11 "Current trade receivables" and to what is set out regarding receivables in the paragraph "Credit risk".

33. Other operating costs

Below are the details that make up the "Other operating costs" items.

(€thousand)	31.12.2023	31.12.2022
Operating costs for services	257,666	252,775
Operating costs for leases and rentals	922	597
Operating costs for other operating charges	1,751	2,010
Total other operating costs	260,339	255,382

The table below details the main types of costs included in the grouping of "Operating costs for services":

(€thousand)	31.12.2023	31.12.2022
Sale expenses, distribution and logistic costs for our products	216,903	204,605
Energy consumption and utilities	17,058	27,983
Third-party production	3,115	3,452
Maintenance costs	6,666	6,053
Advertising, promotion, exhibitions, sales (sundry items)	624	829
Directors' and statutory auditors' fees	1,111	1,175
Insurance costs	1,358	1,104
Reimbursement of expenses, travel costs and sundry personnel costs	581	427
General and other services	10,250	7,146
Total operating costs for services	257,666	252,774

The "Our sales, movement and distribution costs. products" went from 204,604 thousand euros on 31 December 2022 to 216,903 thousand euros on 31 December 2023. The increase is related to the increase in sales volumes for the year compared to the previous one. In terms of logistics costs, in particular transport and internal handling, the increase in tariffs compared to pre-pandemic ones was mitigated by efficiency policies.

The "Energy and utilities consumption" recorded a significant decrease due to the reduction in electricity and gas tariffs, going from 27,983 thousand euros at 31 December 2022 to 17,058 thousand euros at 31 December 2023, with an overall reduction in terms absolute amounts of 10,925 thousand euros.
For the Group, electricity consumption is mainly associated with the operation of the refrigeration and cooling systems of the Parent Company MARR S.p.A.. The Group companies qualify as "Non-energy-intensive companies" and "Non-gas-intensive companies" and have benefited from this both in relation to the second, third, fourth quarter of the year 2022, and in relation to the first half of 2023, of the tax credits provided by the national legislator to mitigate the increase in expenses incurred for the purchase of electricity and gas.

"Maintenance expenses" amount to 6,666 thousand euros (6,053 thousand euros at 31 December 2022) and mainly relate to ordinary maintenance interventions carried out on the over 40 branches of the Parent Company MARR S.p.A.

(€thousand)	31.12.2023	31.12.2022
Lease of industrial buildings	168	145
Lease of processors and other personal property	201	187
Lease of industrial vehicles	240	92
Lease of going concern	25	0
Lease of cars	33	11
Lease of plants, machinery and equipment	22	18
Rent fees and other charges paid on other personal property	233	144
Total operating costs for leases and rentals	922	597

Costs for the use of third-party assets amount to a total of 922 thousand euros (597 thousand euros at 31 December 2022) and refer to lease contracts with a duration of less than one year not falling within the scope of application of IFRS16.

(€thousand)	31.12.2023	31.12.2022
Other indirect taxes, duties and similar charges	802	801
Expenses for recovery of debts	224	228
Other sundry charges	298	357
Capital losses on disposal of assets	12	222
IMU	332	328
Contributions and membership fees	83	74
Total operating costs for other operating charges	1,751	2,010

"Other indirect taxes, duties and similar charges" mainly include: stamp duty and registration duties, municipal duties and taxes and car and vehicle ownership tax.

34. Financial income and charges

(€thousand)	31.12.2023	31.12.2022
Financial charges	19,907	8,976
Financial income	(2,394)	(902)
Foreign exchange (gains)/losses	473	171
Total financial (income) and charges	17,986	8,245

The increase in financial charges is correlated to the increase in the cost of money.
The net effect of the exchange balances mainly reflects the performance of the Euro compared to the US Dollar, the reference currency for non-EU imports.

Below is the breakdown of financial charges and income:

(€thousand)	31.12.2023	31.12.2022
Interest paid on other loans, bills discount, hot money, imports	11,700	3,681
Interest payable on discounted bills, advances, exports	546	226
Interest payable on right of use	2,341	2,303
Other financial interest and charges	5,283	2,691
Interest and Other financial charges for Consolidated Parent Companies	37	75
Total financial charges	19,907	8,976

(€thousand)	31.12.2023	31.12.2022
Other sundry financial income (interest from customers, etc.)	1,473	831
Interests and financial income from Parent Companies	100	19
Income interests from bank accounts	821	52
Total Financial Income	2,394	902

Other financial income is related to interest income from customers and suppliers for payment deferrals, an increase compared to the previous year.

35. Income/(loss) from holdings valued using the net equity method

This item has no consistency as of 31 December 2023.

36. Taxes

(€thousand)	31.12.2023	31.12.2022
Ires-Ires charge transferred to Parent Company	15,913	7,687
Irap	4,276	2,604
Net provision for deferred tax liabilities	(383)	708
Previous years tax	(20)	41
Total taxes	19,786	11,040

The reconciliation between the theoretical tax burden and the actual tax burden is shown below.

(€thousand)			31.12.2023
Result before taxation			66,920
Theoretical tax rate			24%
Theoretical tax burden			**16,061**
Items in reconciliation	Taxable amounts		
IRAP			4,276
Car expenses deductible	444	24%	107
Various expenses and fines	401	24%	96
Non deductible taxes	35	24%	8
Fiscal benefits on super-depreciation	(328)	24%	(79)
10% deduction IRAP on IRES	(172)	24%	(41)
ACE	(1,586)	24%	(381)
Distributed dividends	(3,450)	24%	(828)
Revenues for accrued tax credits	(1,633)	24%	(392)
Other	3,996	24%	959
Total current and deferred taxes			19,786
Effective tax rate			**29.6%**

37. Earnings per share

The calculation of basic and diluted earnings/(loss) per share looks like this:

(€)	2023	2022
EPS base	0.72	0.40
EPS diluted	0.72	0.40

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

EXPLANATORY NOTES

Result of the business year:

(€thousand)	31.12.2023	31.12.2022
Profit for the period	47,134	26,550
Minority interests	0	0
Profit used to determine basic and diluted earnings per share	**47,134**	**26,550**

Number of shares:

(number of shares)	31.12.2023	31.12.2022
Weighted average number of ordinary shares used to determine basic earning per share	65,894,955	66,388,000
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	**65,894,955**	**66,388,000**

38. Other profits/losses

The value of the other profits/losses contained in the comprehensive income statement is made up of the effects generated and reversed in the period with reference to the following items:
- effective part of the operations implemented to cover the risk of changes in the interest rate on medium-long term financing contracts, for 962 thousand euros;
- actuarial profits relating to the evaluation of severance pay as established by the amendments made to IAS 19 "Employee benefits" for the amount of 48 thousand euros.

These profits/losses were accounted for, consistently 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 overall consolidated economic result.

Compensation for Directors, Statutory Auditors, Managers with Strategic Responsibilities and Independent Auditors

The total compensation, including any benefits in kind, recognized in the 2023 financial year to the Directors, members of the Board of Statutory Auditors and Managers with Strategic Responsibilities are reported in the Remuneration Report which will be published pursuant to art. 123-ter of the T.U.F. and which will be available on the Company website.
No compensation was provided under the incentive or profit-sharing plans through share-based payments.
Pursuant to art. 149-duodecies of the Consob Issuers' Regulations are shown below the fees for the 2023 financial year, including Consob expenses and contributions, for the services rendered to Group companies by the Auditing Firm or by entities belonging to the Auditing Firm's network.

(€thousand)	Service Company	Client	Fees pertinent to business year 2023
Auditing	PricewaterhouseCoopers S.p.A.	MARR S.p.A.	198
	PricewaterhouseCoopers S.p.A.	As.Ca S.p.a.	12
Certification service			0
Other services			0
Total			210

Net financial position[IX]

As regards the comment on the components of the net financial position and the indication of the debt and credit positions towards related parties, please refer to what is stated in the directors' report on the performance of operations.

MARR Consolidated (€thousand)		Note	31.12.23	31.12.22
A.	Cash		17,479	15,257
	Bank accounts		205,927	176,406
B.	Cash equivalent		205,927	176,406
C.	Liquidity (A) + (B)	13	223,406	191,663
	Current financial receivable due to Parent Company		9,818	9,404
D.	Current financial receivable	10	9,818	9,404
E.	Current derivative/financial instruments	7	2	7
F.	Current Bank debt		(44,699)	(15,884)
G.	Current portion of non current debt		(70,082)	(99,838)
	Other financial debt		(2,879)	(4,526)
H.	Other current financial debt		(2,879)	(4,526)
I.	Current lease liabilities (IFRS16)		(11,826)	(10,813)
J.	Current financial debt (F) + (G) + (H) + (I)	22/23	(129,486)	(131,061)
K.	Net current financial indebtedness (C) + (D) + (E) + (J)		103,740	70,013
L.	Non current bank loans	16	(157,533)	(119,768)
M.	Non-current derivative/financial instruments	7	126	1,015
N.	Other non current loans	16	(99,971)	(100,374)
O.	Non-current lease liabilities (IFRS16)	17	(69,816)	(68,436)
P.	Non current financial indebtedness (L) + (M) + (N) + (O)		(327,194)	(287,563)
Q.	Net financial indebtedness (K) + (P)		(223,454)	(217,550)

[IX] The "Note" column indicates the reference to the item of the Consolidated Statement of Financial Position for the purpose of a timely reconciliation with the same.

Events after the closing of the year

No events occurred subsequent to the end of the financial year of significant importance and with effects on the measurement of the balance sheet items at 31 December 2023.

It should be noted that on 31 January 2024 the dissolution and liquidation operation of the company MARR Foodservice Iberica S.A. was completed. with the registration of the deed of dissolution in the Registro Mercantil of Madrid and consequent cancellation of the company.

Furthermore, on 23 February 2024 the Board of Directors of MARR S.p.A. has approved, pursuant to art. 2505 second paragraph of the civil code, the merger by incorporation into the parent company MARR S.p.A. of the wholly owned company AS.CA. S.p.A..

Outlook

Sales to Street Market and National Account clients in the first two months of 2024 are consistent with the growth and margins objectives forecast for the year.

These results have been achieved in a context of out-of-home food consumption in Italy that is expected to increase throughout 2024 (TradeLab, February 2024), also thanks to the positive performance of the tourism sector.

The MARR Group, the sales organization of which has recently met at its Convention, continues to strengthen its own competitive position, through a value proposal to satisfy the requirements of its Customers and increase loyalty.
MARR's development path, pursued in terms of sustainability, is based on closeness to customers, through the presence of the Sales Force and proximity logistics, for which the Group has defined an investment plan aimed at enhancing and modernising its operational capacity.
The first step in this plan will be the opening of the MARR Lombardy distribution centre, expected in the second quarter of 2024.

The focus of the entire organization on the recovery of operating profitability, through:

i) the management of the Gross Margin and the control of operating costs, and
ii) on the control of the levels of absorption of working capital are also confirmed.

° ° °

Rimini, 13 March 2024

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 an integral part.

- Appendix 1 – List of equity investments, including those falling within the scope of consolidation as at 31 December 2023.

- Appendix 2 – Reconciliation as at 31 December 2023 with the values in the financial statements of the parent company.

- Appendix 3 – Table showing variations in Intangible Assets for the year ending 31 December 2023.

- Appendix 4 – Table showing variations in Tangible Assets for the year ending 31 December 2023.

- Appendix 5 – Table showing changes in the Right of use for the year ending 31 December 2023.

- Appendix 6 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2022. – company that exercises direct or mediated management and coordination activities.

- Appendix 7 – Table summarising the relations with parent companies, subsidiaries, associates and other related parties.

- Appendix 8 – Reconciliation of liabilities deriving from financing activities as at 31 December 2023 and as at 31 December 2022.

- Appendix 9 – Details of lands and buildings owned by the Group as at 31 December 2023.

Appendix 1 - List of equity investments, including those falling within the scope of consolidation as at 31 December 2023

Company	Headquarters	Share capital (€thousand)	Direct control Marr SpA	Indirect control Company	Indirect control Share held
COMPANY CONSOLIDATED ON A LINE-BY-LINE BASIS					
- Parent Company:					
MARR S.p.A.	Rimini	33,263			
- Subsidiaries:					
AS.CA. S.p.A.	Santarcangelo di R. (RN)	518	100.0%		
Marr Foodservice Iberica S.A.u	Madrid (Spagna)	600	100.0%		
New Catering S.r.l.	Santarcangelo di R. (RN)	34	100.0%		
Antonio Verrini S.r.l.	Santarcangelo di R. (RN)	250	100.0%		
Frigor Carni S.r.l.	Santarcangelo di R. (RN)	100	100.0%		
- Indirect subsidiaries controlled by the New Catering:					
Cremonagel S.r.l.	Santarcangelo di R. (RN)	10		New Catering S.r.l.	100.0%
INVESTMENTS EVALUATED USING THE NET EQUITY METHOD					
Jolanda De Colò S.p.A.	Palmanova (UD)	846	34.0%		
INVESTMENTS VALUED AT FAIR VALUE:					
- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	9,697	1.69%		

Appendix 2 - Reconciliation as at 31 December 2023 with the values in the financial statements of the parent company

	Increase/(Decrease)	
	Shareholders' Equity	of which Net Profit for the period
Parent Company's shareholders' equity and profit/(loss) for the year	338,674	44,912
Effect of the consolidation on a line-by-line basis:		
-- Difference between the book value of the consolidated subsidiaries and the relevant portion of shareholders' equity	(7,389)	0
-- Allocation of the surplus of the purchase price paid for the acquisition of equity investments consolidated on a line-by-line basis, to lands, buildings and consolidation difference	18,044	(27)
-- Pro rata subsidiary profits (losses)	5,355	5,355
Allocation of the consolidation differences caused by the company amalgamations	2,718	0
Write-off of the goodwill caused by company merged	(2,364)	0
Effect of the elimination of profits not yet realised from transactions between Group companies, net of the applicable tax effect	(1,585)	(3,632)
Adjustments to adapt the financial statements of some consolidated companies to Group Accounting Standards	2,020	526
Group's share of net equity and profit/(loss)	355,473	47,134

Appendix 3 – Table showing variations in Intangible Assets for the year ending 31 December 2023

Intangible fixed assets (in thousand of Euros)	Opening Balance			Changes during the year							Closing Balance		
	Original Cost	Provision for amortization	Balance 01/01/2023	Purchases	Reclassification	Consolidation Change	Reclassification		Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2023
							Original cost	Prov. for am.					
Cost of industrial patents and rights for the use of intellectual property	9,504	(7,855)	1,649	606	473		(1,055)	1,055		(691)	9,528	(7,491)	2,037
Concessions, licences, brand names, and similar rights	627	(206)	421				(3)	3		(24)	624	(227)	397
Goodwill	167,010		167,010								167,010		167,010
Intangible fixed assets under development and advances	1,297		1,297	124	(473)						948		948
Other intangible fixed assets	436	(436)					750	(750)			1,186	(1,186)	
Total	178,874	(8,496)	170,377	730			(308)	308		(715)	179,296	(8,904)	170,392

Appendix 4 – Table showing variations in Tangible Assets for the year ending 31 December 2023

Tangible fixed assets	Opening balance			Changes during the year						Closing balance		
(in thousand of Euros)	Original Cost	Provision for amortization	Balance 01/01/2023	Purchases/other movements	Decreases		Reclassification		Amortization/ write down	Original Cost	Provision for amortization	Balance 31/12/2023
					Original cost	Prov. for am.	Original cost	Prov. for am.				
Land and buildings	94,081	(37,231)	56,850	1,956			900		(2,861)	95,793	(38,948)	56,845
Improvements on leased facities	4,283	(1,288)	2,995	464					(542)	4,747	(1,830)	2,917
Plant and machinery	47,538	(38,227)	9,311	3,206	(4)	4	91		(2,462)	52,965	(42,819)	10,146
Industrial and commercial equipment	9,729	(7,188)	2,541	603	(41)	32			(472)	9,016	(6,353)	2,663
Other tangible assets	19,411	(14,886)	4,525	2,113	(780)	725	289		(1,526)	21,511	(16,165)	5,346
Tangible fixed assets under development and advances	7,677		7,677	17,565			(1,280)			23,962		23,962
Total	182,719	(98,820)	83,899	25,907	(825)	761			(7,863)	207,994	(106,115)	101,879

Appendix 5 – Table showing changes in the Right of use for the year ending 31 December 2023

Tangible fixed assets	Opening balance			Movements during the year					Closing balance		
(in thousand of Euros)	Original Cost	Provision for amortization	Balance 01/01/2023	Consolidation change	Purchases/ other movement	Decreases		Amortization/ write down	Original Cost	Provision for amortization	Balance 31/12/2023
						Original cost	Prov. for am.				
Right of use - Land and buildings	107,837	(34,001)	73,837		11,691	(1)		(11,251)	119,528	(45,252)	74,277
Right of use - Other assets	2,904	(1,372)	1,531		2,168	(830)	821	(727)	4,241	(1,278)	2,962
Total	110,741	(35,373)	75,368		13,859	(831)	821	(11,978)	123,769	(46,530)	77,239

Appendix 6 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2022. – company that exercises direct or mediated management and coordination activities

The essential data of the parent company Cremonini S.p.A. shown in the summary statement required by article 2497-bis of the Civil Code have been extracted from the relevant financial statements for the financial year ended 31 December 2022. For an adequate and complete understanding of the equity and financial situation of Cremonini S.p.A. as of 31 December 2022, as well as the economic result achieved by the company in the financial year ended on that date, please refer to the financial statements which, accompanied by the audit firm's report, are available in the forms and methods required by law.

Main figures' Statement of the last Cremonini S.p.A. financial statements and consolidated financial statements - MARR S.p.A. parent company -

Financial Statements as of December 31, 2022

Cremonini S.p.A.		in thousands of Euros		Consolidated
		BALANCE SHEET		
		ASSETS		
80,229		Tangible assets		1,321,476
0		Right of use assets		338,015
6		Goodwill and other intangible assets		246,195
293,341		Investments		34,058
217		Non-current assets		90,655
373,793		*Total non-current assets*		*2,030,399*
0		Inventories		647,312
45,170		Receivables and other current assets		775,745
10,696		Cash and cash equivalents		287,265
55,866		*Total current assets*		*1,710,322*
429,659		**Total assets**		**3,740,721**
		LIABILITIES		
332,642		Shareholders' equity:		*924,533*
	67,074	Share capital	67,074	
	254,599	Reserves	539,416	
	10,969	Net profit (loss)	75,420	
	0	Minority interest	242,623	
28,706		Non-current financial payables		1,272,637
294		Employee benefits		21,177
101		Provisions for risks and charges		18,973
3,943		Other non-current liabilities		47,519
33,044		*Total non-current liabilities*		*1,360,306*
50,900		Current financial payables		440,734
13,073		Current liabilities		1,015,148
63,973		*Total current liabilities*		*1,455,882*
429,659		**Total Liabilities**		**3,740,721**
		INCOME STATEMENT		
8,097		Revenues		5,040,503
808		Other revenues		49,853
0		Changes in inventories		26,364
0		Internal works performed		7,395
(97)		Purchase of goods		(3,488,058)
(5,287)		Other operating costs		(745,168)
(4,444)		Personnel costs		(499,560)
(3,146)		Amortization		(172,421)
(750)		Depreciation and Allocations		(31,955)
15,881		Income from investments		(486)
(960)		Financial income and charges		(49,894)
0		Profit from business aggregations		0
10,102		*Profit before taxes*		*136,573*
867		Taxes		(41,438)
10,969		Net profit (loss) before consolidation		*95,135*
0		Minority interest's profit (loss)		(19,715)
10,969		**Consolidated Net profit (loss)**		**75,420**

Appendix 7 – Table summarising the relations with parent companies, subsidiaries, associates and other related parties

	FINANCIAL RELATIONS						ECONOMIC RELATIONS										
COMPANY	RECEIVEBLES			PAYABLES			REVENUES				COSTS						
	Trade	Other	Financial	Trade	Other	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods*** (by production)	Purchase of goods*** (by logistic)	Services	Leases and rental	Other operating charges	Personnel costs	Financial charges
Towards the Parent Company:																	
Cremonini S.p.A. (*)	26	12	9,818	620	8,233		2			100			1,501				37
Total	**26**	**12**	**9,818**	**620**	**8,233**	**0**	**2**	**0**	**0**	**100**	**0**	**0**	**1,501**	**0**	**0**	**0**	**37**
Towards Associated Companies:																	
Jolanda De Colò				32			8				29						
Total	**0**	**0**	**0**	**32**	**0**	**0**	**8**	**0**	**0**	**0**	**29**	**0**	**0**	**0**	**0**	**0**	**0**
Towards affiliated(**)																	
Consolidated Companies Cremonini Group																	
C&P S.r.l.	596						1,657										
Castelfrigo S.r.l.				20							104						
Chef Express S.p.A.	8,656				28		44,993	47					1				
Fiorani & C. S.p.a.		4		2,904	1		24		1		33,060	6,396					
Ges.Car. S.r.l.																	
Staff Service S.r.l.		1		466									1,301				
Guardamiglio S.r.l.	6						33										
Il Castello di Castelvetro S.r.l.	11						60										
Inalca Food and Beverage S.r.l.	756			20	1		8,473	165	6		13				10		
Inalca S.p.a.	1	59		10,776			94		10		102,752	49,273	145				
Italia Alimentari S.p.a.		65		651			8				12,466						
Palermo Airport F&B s.c.a.r.l.	151						229										
Poke MXP S.r.l.	3						2										
Roadhouse Grill Roma S.r.l.	758						3,916		7								
Roadhouse S.p.A.	9,955				6		47,490		4				1				
Total Consolidated Companies Cremonini Group	**20,893**	**129**	**0**	**14,837**	**36**	**0**	**106,979**	**212**	**28**	**0**	**148,395**	**55,669**	**1,448**	**0**	**10**	**0**	**0**
No consolidated Companies Cremonini Group																	
Le Cupole S.r.l.		3				2,374											78
Scalo S.n.c.	4			85		2,485			32				76				75
Time Vending S.r.l.				(22)							(22)						
Verrini Holding S.r.l.						2,029							9				62
Total No consolidated Companies Cremonini Group	**4**	**3**	**0**	**63**	**0**	**6,888**	**0**	**0**	**32**	**0**	**(22)**	**0**	**85**	**0**	**0**	**0**	**215**
Total	**20,897**	**132**	**0**	**14,900**	**36**	**6,888**	**106,979**	**212**	**60**	**0**	**148,373**	**55,669**	**1,533**	**0**	**10**	**0**	**215**

(*) The items in the Other Receivables columns relate to the residual IRES receivables for requests of reimbursement regarding to the personel cost not deducted to Irap in the years 2007-2011, transferred to the Parent Company within the scope of of the National Consolidated tax base; the amount in the the other payables is related to the IRES balance of the year 2020.
(**) The total amount of trade receivables and payables are reclassified under "Receivables from customer" and "Suppliers" respectively.
(***) The amount indicated is net of active contributions.

From Other Related Parties																	
Board of Directors of the Company MARR S.p.A.					218		1						673				
Directors of the Company Antonio Verrini S.r.l.					26								135				
Directors of the Company Frigor Carni S.r.l.					8								152				
Total	**0**	**0**	**0**	**0**	**252**	**0**	**1**	**0**	**0**	**0**	**0**		**960**	**0**	**0**	**0**	**0**

Regarding the compensation paid in the 2023 financial year to Managers with strategic responsibilities, please refer to the Remuneration Report which will be published pursuant to art. 123-ter of the T.U.F. and which will be available on the Company website.

Appendix 8 – Reconciliation of liabilities deriving from financing activities as at 31 December 2023 and as at 31 December 2022

	31 December 2023	Cash flows	Non-financial changes: Other changes/ reclassifications	Acquisition	Exchange rates variations	Fair value variation	31 December 2022
Current payables to bank	44,699	28,815	0	0	0	0	15,884
Current portion of non current debt	70,082	(77,160)	47,404	0	0	0	99,838
Current financial payables for bond private placement in Euros	679	(697)	697	0	0	1	678
Current financial payables for purchase of shares of Frigor Carni S.r.l.	2,200	0	500	0	0	0	1,700
Current financial payables for purchase of shares of Antonio Verrini S.r.l.	0	(2,000)	0	0	0	0	2,000
Current financial payables for IFRS 16 lease contracts	11,826	(11,457)	12,470	0	0	0	10,813
Current financial payables for dividends approved and not distributed	0	(25,216)	25,068	0	0	0	148
Total current financial payables	129,486	(87,715)	86,139	0	0	1	131,061
Current payables/(receivables) for hedging financial instruments	0	0	0	0	0	0	0
Total current financial instruments	0	0	0	0	0	0	0
Non-current payables to bank	157,533	85,256	(47,492)	0	0	0	119,769
Non-current financial payables for bond private placement in Euros	99,903	0	0	0	0	29	99,874
Non-current financial payables fot IFRS 16 lease contracts	69,816	0	1,380	0	0	0	68,436
Non-current financial payables for purchase of quotas or shares	0	0	(500)	0	0	0	500
Total non-current financial payables	327,252	85,256	(46,612)	0	0	29	288,579
Non-current payables/(receivables) for hedging financial instruments	68	0	0	0	0	68	0
Total non-current financial instruments	68	0	0	0	0	68	0
Total liabilities arising from financial activities	**456,806**	**(2,459)**	**39,527**	**0**	**0**	**98**	**419,640**

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	(459)
Cash flows for payment of residual debt for the acquisition of share in Antonio Verrini S.r.l.	(2,000)
Other changes/ reclassifications, included the acquisition	39,527
Exchange rates variations	0
Fair value variation	98
Total detailed variations in the table	**37,166**
Other changes in financial liabilities	26,609
Net change in financial payables (IFRS16)	2,393
New non-current loans received	110,000
Net change in derivative/financial instruments	68
Non current loans repayment	(101,904)
Total changes shown between financing activities in the Cash Flows Statement	**37,166**

	31 December 2022	Cash flows	Non-financial changes: Other changes/ reclassifications	Acquisition	Exchange rates variations	Fair value variation	31 December 2021
Current payables to bank	15,884	(30,103)	0	0	0	0	45,987
Current portion of non current debt	99,838	(46,163)	93,774	0	0	0	52,227
Current financial payables for bond private placement in Euros	678	(697)	698	0	0	1	676
Current financial payables for purchase of shares of Frigor Carni S.r.l.	1,700	(4,048)	0	5,748	0	0	0
Current financial payables for purchase of shares of Antonio Verrini S.r.l.	2,000	(1,000)	0	0	0	0	3,000
Current financial payables for IFRS 16 lease contracts	10,813	(10,495)	8,395	2,839	0	0	10,074
Current financial payables for dividends approved and not distributed	148	(32,316)	31,266	0	0	0	1,198
Total current financial payables	131,061	(124,822)	134,133	8,587	0	1	113,162
Current payables/(receivables) for hedging financial instruments	0	0	0	0	0	0	0
Total current financial instruments	0	0	0	0	0	0	0
Non-current payables to bank	119,769	94,305	(94,025)	0	0	0	119,489
Non-current financial payables for bond private placement in Euros	99,874	0	0	0	0	32	99,842
Non-current financial payables fot IFRS 16 lease contracts	68,436	0	3,718	0	0	0	64,718
Non-current financial payables for purchase of quotas or shares	500	0	0	500	0	0	0
Total non-current financial payables	288,579	94,305	(90,307)	500	0	32	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	**419,640**	**(30,517)**	**43,826**	**9,087**	**0**	**33**	**397,211**

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	(25,469)
Cash flows for payment of residual debt for the acquisition of share in Antonio Verrini S.r.l.	(1,000)
Other changes/ reclassifications, included the acquisition	43,826
Exchange rates variations	0
Fair value variation	33
Total detailed variations in the table	**17,390**
Other changes in financial liabilities	(35,209)
Net change in financial payables (IFRS16)	4,457
New non-current loans received	102,000
Net change in derivative/financial instruments	0
Non current loans repayment	(53,858)
Total changes shown between financing activities in the Cash Flows Statement	**17,390**

Appendix 9 – Details of lands and buildings owned by the Group as at 31 December 2023

(€ Thousand)

	Original Cost	Prov. For Am.	Net Book Value
Building in Spezzano Albanese (CS) - St.Prov.le 19	1,907	1,030	877
Land in Spezzano Albanese close to the building	125	0	125
Building in Pistoia (PT) - St F.Toni loc.Bottegone	5,356	2,686	2,670
Land of Building in Pistoia	1,000	0	1,000
Building in Santarcangelo of Romagna (RN) - St. P.Tosi 1300	16,634	1,313	15,321
Building in Santarcangelo of Romagna (RN)- St. dell'Acero 2-4	5,319	3,146	2,173
Land of Building St. dell'Acero 2-4	2,464	0	2,464
Building in Opera (MI) - St. Cesare Pavese, 10	4,459	2,894	1,565
Land of Building Opera	2,800	0	2,800
Building in San Michele al Tagl.to (VE) - St. Plerote, 6	4,288	2,552	1,736
Land of Building San Michele	1,100	0	1,100
Building in Uta (CA) - Zona ind.le Macchiareddu	4,115	2,293	1,822
Land of Building Uta	1,531	0	1,531
Building in Portoferraio (LI) - Località Antiche Saline	1,512	977	536
Land of Building Portoferraio	990	0	990
Surface ownership Building in Bologna - St. Fantoni, 31	11,857	5,487	6,370
Land in Rimini loc. San Vito - St. Emilia Vecchia, 75	7,078	0	7,078
Land in Bottanuco (BG)	1,796	0	1,796
Building in Villanova di Castenaso (BO) - St. Trattati di Roma, 64	3,427	2,133	1,294
Land of Building in Villanova of Castenaso	2,292	0	2,292
TOTAL	80,050	24,511	55,540

The value indicated in the table is representative only of owned buildings and land and does not consider the values of improvements on leased properties and light constructions, both classified under the item "Land and buildings".

Certification of the consolidated financial statements
Pursuant to art. 154-bis of Legislative Decree 58/98

1. The undersigned Francesco Ospitali in the quality of Chief Executive Officer, and Pierpaolo Rossi, in the quality of Manager responsible for the drafting of the corporate accounting documents of MARR S.p.A., hereby certify, also taking into account that provided by art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated 24 February 1998:

   - the adequacy in relation to the characteristics of the company and
   - the actual application,

   of the management and accounting procedures for the drafting of the consolidated financial statements during the year 2023.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the consolidated financial statement as at 31 December 2023 was based on a process defined by MARR S.p.A. in coherence with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is an internationally accepted general reference framework.

3. It is also certified that:

   3.1 The consolidated financial statements:

   a) are drawn up in compliance with the internationally applicable accounting standards recognised in the European Community pursuant to regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;

   b) correspond to the findings in the accounts books and documents;

   c) are suited to providing a truthful and correct representation of the equity, economic and financial situation of the author and the group of companies included in the scope of consolidation.

   3.2 The management report includes a reliable analysis of the management performance and result, as well as the situation of the issuer and of the group of companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rimini, 13 March 2024

Francesco Ospitali	Pierpaolo Rossi
Chief Executive Officer	Manager responsible for the drafting of corporate accounts documents

Independent auditor's report

in accordance with article 14 of Legislative Decree n. 39 of 27 January 2010 and article 10 of Regulation (EU) n. 537/2014

To the Shareholders of
MARR SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MARR Group which comprise the statement of consolidated financial position as of 31 December 2023, the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in the consolidated shareholders' equity, consolidated cash flows statement for the year then ended, and explanatory notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the MARR Group as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of MARR SpA (hereinafter, also the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Recoverability of Goodwill *Section 'Accounting policies', paragraph 'Goodwill and business combinations' e 'Losses in value of non-financial assets', section 'Main estimates adopted by management and discretional assessments' and note 3 'Goodwill' of the explanatory notes to the consolidated financial statements.*	
The value of Goodwill in the consolidated financial statements of the MARR Group is equal to Euro 167,010 thousand, accounting for 13.8% of total assets. In accordance with IAS 36 – "Impairment of assets", management tests the value of goodwill for impairment at least annually, by comparing the carrying amount of each cash generating unit (CGU) to which goodwill is allocated with the respective recoverable amount, represented by the higher of value in use and fair value less costs of disposal. As of 31 December 2023, the recoverable amounts were determined on the basis of value in use, by discounting to present value the estimate cashflows of the period 2024-2026, plus terminal value. The basis of the calculation of cash flows is the 2024-2026 business plan approved by the Company's Board of Directors on 14 December 2023. We considered the recoverability of goodwill a key audit matter in consideration of the materiality of the amounts and of the elements of uncertainty and estimation intrinsic to the Directors' assessment of their recoverability. The key elements of uncertainty and estimation are related to the correct definition and identification of the CGUs and to the estimation of the future cashflows and the definition of the discount rates to be applied to those cashflows.	Our audit approach consisted, preliminarily, in understanding and evaluating the method and procedure to determine the recoverable amounts of goodwill approved by the Company's Board of Directors. We analysed the reasonableness of Company's considerations about the identification of the CGUs and the process of allocation of goodwill, verifying their consistency with the organisation structure of the MARR Group. We analysed, also with the support of business valuation experts from the PwC network, the methods adopted by the Company to determine the recoverable amounts of the CGU's, we verified the reasonableness of the key assumptions reflected in the valuation models, including the discount rates and long-term growth rates, we verified the mathematical accuracy of the models used and we compared the value in use with the carrying amount of each CGU. We analysed the forecasts used to assess the recoverability of goodwill, verifying their consistency with 2024-2026 business plan approved by the Board of Directors on 14 December 2023, making a critical assessment of the reasonableness of the estimated cashflows for the same period, also in light of the historical results of the Group. Finally, our procedures included analysing the notes to the consolidated financial statements and the overall adequacy and completeness of the related disclosures.

Recoverability of trade receivables

Section 'Accounting policies', paragraph 'Trade receivables', section 'Main estimates adopted by management and discretional assessments', note 11 'Trade receivables' and note 32 'Losses due to impairment of financial assets measured at amortized cost' of the explanatory notes to the consolidated financial statements.

The value of trade receivables in the consolidated financial statements of the MARR Group as of 31 December 2023 is equal to Euro 345,093 thousand, accounting for 25.8% of total assets.

We considered the recoverability of trade receivables a key audit matter in consideration of the materiality of the amounts and of the elements of uncertainty and estimation intrinsic to the Directors' assessment of their recoverability, specifically the assumptions applied in the calculation models used to determine the estimated future cash flows from collection of those receivables.

Our audit approach consisted, preliminarily, in understanding and evaluating the methods and procedures defined by the MARR Group to determine the recoverable amounts of trade receivables.

We planned the test of details on the recoverability of trade receivable taking into consideration the understanding of internal controls mentioned above.

We obtained the trade receivable ageing, validated the related data base to identify any significant overdue debtor positions, which have been analysed and discussed with management to obtain evidence supporting the estimates of coverage of insolvency risk.

We also sent confirmation requests to the law firms that manage procedures relating to accounts in litigation, verifying the consistency of the evaluations made by the external professionals with the measurement of the debtor positions in the financial statements.

We carried out a retrospective analysis, comparing the estimates made in previous years with the actual collection figures, to validate management's ability in determining the estimated future cash flows from collection of trade receivables.

Finally, our procedures included analysing the notes to the consolidated financial statements and the overall adequacy and completeness of the related disclosures.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n. 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the Directors use the going concern basis of accounting unless they either intend to liquidate MARR SpA or to cease operations or have no realistic alternative but to do so.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, the MARR Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- We concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the MARR Group to cease to continue as a going concern;

- We evaluated the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the MARR Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) n. 537/2014

On 28 April 2016, the shareholders of MARR SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) n. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) n. 2019/815

The Directors of MARR SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) n. 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2023, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2023 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the explanatory notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree n. 39/2010 and Article 123-bis, paragraph 4, of Legislative Decree n. 58/1998

The Directors of MARR SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the MARR Group as of 31 December 2023, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n. 58/1998, with the consolidated financial statements of the MARR Group as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the MARR Group as of 31 December 2023 and are prepared in compliance with the law.
With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree n. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree n. 254 of 30 December 2016

The Directors of MARR SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree n. 254 of 30 December 2016.
We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Bologna, 27 March 2024

PricewaterhouseCoopers SpA

Signed by

Giuseppe Ermocida
(Partner)

As disclosed by the Directors in paragraph "Adoption of the ESEF taxonomy (Eurospean Single Electronic Format)", the accompanying consolidated financial statements of MARR Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) n. 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

MARR S.p.A.

Financial Statements as at December 31, 2023

STATEMENT OF FINANCIAL POSITION

(€)	Notes	31.12.23	relating to related parties	%	31.12.22	relating to related parties	%
ASSETS							
Non-current assets							
Tangible assets	1	96,696,094			78,622,728		
Right of use	2	68,877,493			67,680,019		
Goodwill	3	138,544,446			138,544,446		
Other intangible assets	4	3,259,274			3,272,398		
Investments in subsidiaries and associated companies	5	37,337,222			37,337,861		
Investments in other companies	6	173,411			173,411		
Non-current financial receivables	7	9,375			23,398		
Non-current derivative/financial instruments	8	126,353			1,014,820		
Other non-current assets	10	26,514,550			21,444,036		
Total non-current Assets		**371,538,218**			**348,113,117**		
Current assets							
Inventories	11	197,107,851			203,848,840		
Financial receivables	12	19,956,207	*19,956,207*	*100.0%*	20,311,941	*20,311,941*	*100.0%*
Current derivative/financial instruments	8	1,916			7,346		
Trade receivables	13	326,559,407	*21,608,892*	*6.6%*	332,145,638	*26,101,897*	*7.9%*
Tax assets	14	13,514,871	*11,175*	*0.1%*	6,998,647	*3,923,946*	*56.1%*
Cash and cash equivalents	15	212,879,124			182,566,222		
Other current assets	16	35,458,299	*132,239*	*0.4%*	40,228,609	*430,254*	*1.1%*
Total current Assets		**805,477,675**			**786,107,243**		
TOTAL ASSETS		1,177,015,893			1,134,220,360		
LIABILITIES							
Shareholders' Equity	17	338,673,682			326,875,202		
Share capital		*33,262,560*			*33,262,560*		
Reserves		*262,142,126*			*269,854,899*		
Profit for the period		*43,268,996*			*23,757,743*		
Total Shareholders' Equity		**338,673,682**			**326,875,202**		
Non-current liabilities							
Non-current financial payables	18	257,436,374			220,142,950		
Non-current lease liabilities (IFRS16)	19	62,594,110	*1,766,612*	*2.8%*	61,795,133	*2,374,051*	*3.8%*
Non current derivative/financial instruments		67,731			0		
Employee benefits	20	5,158,699			5,686,575		
Provisions for risks and charges	21	5,839,323			5,614,582		
Deferred tax liabilities	9	578,450			1,232,961		
Other non-current liabilities	22	5,081,822			3,735,893		
Total non-current Liabilities		**336,756,509**			**298,208,094**		
Current liabilities							
Current financial payables	23	132,382,743	*14,723,989*	*11.1%*	135,608,895	*15,362,975*	*11.3%*
Current lease liabilities (IFRS16)	24	10,432,218	*607,439*	*5.8%*	9,588,806	*589,930*	*6.2%*
Current tax liabilities	25	10,966,082	*7,692,745*	*70.2%*	1,859,495	*0*	*0.0%*
Current trade liabilities	26	333,645,472	*15,335,276*	*4.6%*	350,704,108	*29,403,822*	*8.4%*
Other current liabilities	27	14,159,187	*253,769*	*1.8%*	11,375,760	*671,996*	*5.9%*
Total current Liabilities		**501,585,702**			**509,137,064**		
TOTAL LIABILITIES		1,177,015,893			1,134,220,360		

STATEMENT OF PROFIT OR LOSS

(€)	Notes	31.12.23	relating to related parties	%	31.12.22	relating to related parties	%
Revenues	28	1,917,028,060	*112,423,230*	*5.9%*	1,773,380,452	*88,950,077*	*5.0%*
Other revenues	29	6,309,654	*42,432*	*0.7%*	7,904,941	*57,412*	*0.7%*
Changes in inventories	11	(6,740,989)			9,918,414		
Purchase of goods for resale and consumables	30	(1,517,284,532)	*(206,710,277)*	*13.6%*	(1,436,092,124)	*(196,737,549)*	*13.7%*
Personnel costs	31	(38,936,275)			(37,893,374)		
Amortizations, depreciations and provisions	32	(19,456,887)			(18,411,253)		
Losses due to reduction in value of financial assets measured at amortized cost	33	(16,450,000)			(15,150,000)		
Other operating costs	34	(247,985,567)	*(6,264,625)*	*2.5%*	(244,188,528)	*(5,873,854)*	*2.4%*
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*336,009*			*326,276*		
Financial income and charges	35	(17,892,680)	*(84,939)*	*0.5%*	(8,084,137)	*(183,829)*	*2.3%*
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*5,011,390*			*2,087,149*		
Income (charge) from associated companies	36	3,631,433			3,124,721		
Result before taxes		62,222,217			34,509,112		
Taxes	37	(17,310,073)			(9,108,221)		
Result for the period		44,912,144			25,400,891		

(€)		31.12.23	31.12.22
EPS base (euros)	38	0.68	0.38
EPS base (euros)	38	0.68	0.38

STATEMENT OF OTHER COMPREHENSIVE INCOME

(€)	Notes	31.12.23	31.12.22
Profits/(Losses) for the period (A)		44,912,144	25,400,891
Items to be reclassified to profit or loss in subsequent periods:			
Efficacious part of profits/(losses) on cash flow hedge instruments		(961,627)	1,022,166
Taxation effect on the effective portion of profits/(losses) on cash flow hedge instruments		230,791	(245,321)
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans		(48,841)	534,926
Taxation effect in the actuarial (losses)/gains oncerning defined benefit plans		11,722	(128,382)
Total Other Profits/(Losses), net of taxes (B)	39	(767,955)	1,183,389
Comprehensive Income/(Losses) (A + B)		44,144,189	26,584,280

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY
(Note n. 17)

Description	Share Capital	Other Reserves													Profits carried over	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve for treasury shares	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Reserve IAS 19	Total reserves		
Balance at 1st January 2023	33,263	63,348	6,652	13	36,496	147,840	1,475	7,516	777	(4,682)	1,438	9,522	(540)	269,855	23,758	326,875
Allocation of 2022 profit						333								333	(333)	
Distribution dividends MARR S.p.A.															(25,068)	(25,068)
Effect of the trading of own shares										(7,272)				(7,272)		(7,272)
Other minor variations											(6)			(6)		(6)
- Result for the period															44,912	44,912
- Other Profits/Losses, net of taxes									(731)				(37)	(768)		(768)
Consolidated comprehensive income 2023																44,144
Balance at 31 December 2023	33,263	63,348	6,652	13	36,496	148,174	1,475	7,516	46	(11,954)	1,432	9,522	(577)	262,142	43,269	338,674

Description	Share Capital	Other Reserves													Profits	Total
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve for treasury shares	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Reserve IAS 19	Total reserves	carried over	net equity
Balance at 1st January 2022	33,263	63,348	6,652	13	36,496	147,177	1,475	7,516			1,444	9,522	(946)	272,696	30,287	336,246
Allocation of 2021 profit						664								**664**	(664)	
Distribution dividends MARR S.p.A.															(31,266)	(31,266)
Effect of the trading of own shares										(4,682)				**(4,682)**		(4,682)
Other minor variations											(6)			**(6)**		(7)
- Result for the period															25,401	25,401
- Other Profits/Losses, net of taxes									777				406	**1,183**		1,183
Consolidated comprehensive income 2022																26,584
Balance at 31 December 2022	33,263	63,348	6,652	13	36,496	147,840	1,475	7,516	777	(4,682)	1,438	9,522	(540)	269,855	23,758	326,875

CASH FLOWS STATEMENT (INDIRECT METHOD)

MARR S.p.A. (€thousand)	Notes	31.12.23	relating to related parties	%	31.12.22	relating to related parties	%
Profit for the Period		44,912			25,401		
Adjustment:							
Amortization/depreciation	32	8,048			7,786		
IFRS 16 depreciation	32	10,542			10,174		
Change in deffered tax	37	(410)			674		
Allocation of provison for bad debts	33	16,450			15,150		
Allocation of provision for investments in subsidiaries	36	1			4		
Allocation of provision for risks and losses		450			200		
Provision for supplementary clientele severance indemnity	32	423			258		
Capital profit/losses on disposal of assets	29/34	(72)			134		
Financial (income) charges net of foreign exchange gains and losses	35	17,419	*85*	*0.5%*	7,918	*184*	*2.3%*
Foreign exchange evaluated (gains)/losses	35	294			(131)		
Dividends Received	36	(3,632)	*(3,632)*	*100.0%*	(3,129)	*(3,129)*	*100.0%*
Total		49,513			39,038		
Net change in Staff Severance Provision	20	(576)			(393)		
(Increase) decrease in trade receivables	13	(10,863)	*4,493*	*(41.4%)*	(45,338)	*(12,492)*	*27.6%*
(Increase) decrease in inventories	11	6,741			(9,919)		
Increase (decrease) in trade payables	26	(17,059)	*(14,069)*	*82.5%*	3,352	*(5,606)*	*(167.2%)*
(Increase) decrease in other assets	10/16	(300)	*298*	*(99.3%)*	(2,874)	*(345)*	*12.0%*
Increase (decrease) in other liabilities	22/27	3,180	*(418)*	*(13.1%)*	1,566	*235*	*15.0%*
Net change in tax assets / liabilities	9/14/25	6,627	*13,858*	*209.1%*	11,917	*5,134*	*43.1%*
Interest paid	35	(20,244)	*(695)*	*3.4%*	(8,949)	*(356)*	*4.0%*
Interest received	35	2,825	*610*	*21.6%*	1,031	*172*	*16.7%*
Foreign exchange evaluated (gains)/losses	35	0			131		
Income tax paid	14/27	(4,039)	*(2,253)*	*55.8%*	(24,140)	*(20,444)*	*84.7%*
Cash-flow from operating activities		60,717			(9,177)		
(Investments) in other intangible assets	4	(674)			(995)		
(Investments) in tangible assets	1	(25,488)			(11,500)		
Net disposal of tangible assets	1	126			122		
Net (investments) in equity investments (subsidiaries and associated)	5	0			(4)		
Net (investments) in equity investments in other companies		0			(3)		
Outgoing for acquisition of subsidiaries or going concerns during the year (net of cash acquired)	5	(2,000)			(3,686)		
Dividends Received	36	3,632	*3,632*	*100.0%*	3,129	*3,129*	*100.0%*
Cash-flow from investment activities		(24,404)			(12,937)		
Dividends payment on 2022 profit	17	(25,068)			(31,118)		
Dividends payment on 2021 profit		(148)			0		
Other changes, including those of third parties	17	(7,272)			(4,682)		
Net change in liabilities (IFRS 16)	19/24	(10,098)	*(590)*	*5.8%*	(9,151)	*(573)*	*6.3%*
Net change in financial payables (excluding the new non-current loans received)	18/23	28,119	*(639)*	*(2.3%)*	(31,395)	*(2,670)*	*(8.5%)*
New non-current loans received	18/23	110,000			102,000		
Repayment of other long - term debt	18/23	(101,904)			(53,858)		
Net change in current financial receivables	8/12	356	*356*	*100.0%*	(10,220)	*(10,212)*	*99.9%*
Net change in non-current financial receivables	7/8	14			727		
Cash-flow from financing activities		(6,001)			(37,697)		
Increase (decrease) in cash-flow		30,312			(59,811)		
Opening cash and equivalents	15	182,566			242,377		
Closing cash and equivalents		212,879			182,566		

For the reconciliation between the opening data and the closing balances with the related movements in financial liabilities deriving from financing activities (as required by paragraph 44A of IAS 7) please refer to Annex 9 of the subsequent Notes.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

Corporate information

The Company (hereinafter "MARR S.p.A."), with its legal form as a joint-stock company, has its registered office in Street Spagna n. 20 – 47921 Rimini, Italy and operates mainly in Italy in the marketing and distribution of fresh, dried and frozen food products intended for catering operators.

The Company is controlled by the company Cremonini S.p.A. (with legal form Joint-Stock Company) whose essential data are set out in the following Attachment 5.

The financial statements as at 31 December 2023 were authorized for publication by the Board of Directors on 13 March 2024.

Structure and contents of the financial statements

The financial statements of MARR S.p.A. as at 31 December 2023 was drawn up 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 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 as transposed by Legislative Decree 28 February 2005, n. 38 and subsequent amendments, communications and CONSOB resolutions.

The international accounting standards of reference adopted in the preparation of the financial statements of MARR S.p.A. are indicated in the "Valuation criteria" section. to 31 December 2023.
In particular, the same accounting principles adopted in the preparation of the financial statements as at 31 December 2022 were applied in the preparation of these financial statements, with the exception of the adoption of the new standards, amendments and interpretations in force from 1 January 2023.

For the purposes of applying IFRS 8, it is noted that the Company operates in the sole sector of "Distribution of food products to non-domestic catering".
This sector is subject to seasonal dynamics mainly linked to the flows of the tourist season, which are more concentrated in the summer months during which the increase in activity and therefore in net working capital historically generates cash absorption with a consequent increase in financial needs.
With regards to trends in 2023, please refer to what is stated in the Directors' Report on management performance.

The financial statements of MARR S.p.A. at 31 December 2023 present, for comparative purposes, the balances for the financial year ended 31 December 2022.

The following classifications were used:

- "Statement of the financial position" for current/non-current items
- "Profit/loss statement for the year" by nature
- "Cash flow statement" (indirect method)

These classifications are believed to provide information that better represents the equity, economic and financial situation of the Company.

The functional and presentation currency is the Euro.

As regards the statements contained in these financial statements, the Statement of Financial Position, the Statement of Profit/Loss for the Year and the Statement of Other Comprehensive Income Statement Components are shown in Euro units while the Statement of Cash Flows of Cash and the Statement of Changes in Net Assets are shown in thousand euros. The tables are shown in thousand euros.

Going Concern

In consideration of the market performance mentioned above, the solidity of its financial structure and the forecasts reflected in the 2024 Budget, the Company considers the use of the going concern assumption to be appropriate and correct.

This financial statement was prepared using the evaluation principles and criteria illustrated below.

Accounting policies

The accounting principles and evaluation criteria adopted for the preparation of the financial statements of MARR S.p.A. as at 31 December 2023 are consistent with those used when preparing the consolidated financial statements, to which reference is made, with the exception of the principles set out below:

Holdings in subsidiary and associate companies

Equity investments in subsidiaries and associated companies are recorded at cost adjusted in the presence of losses in value. The positive difference, emerging at the time of purchase, between the acquisition cost and the share of the net equity at current values of the investee pertaining to the company is, therefore, included in the carrying value of the investment.
Impairment - An investment suffers a reduction in value when its book value exceeds its recoverable value. The book values of investments are subject to evaluation whenever there are clear indicators internal or external to the company that indicate the possibility of a reduction in the value of the investment or of a group of them, as required by the IAS.

Impairment of Asset.
In particular, among the indicators analyzed to assess whether a shareholding has suffered a loss in value, it must be considered whether the parent company has recognized a dividend obtained from the shareholding and there is evidence that:
• the book value of the investment in the separate financial statements exceeds the book values in the consolidated financial statements of the subsidiary's net assets, including the related goodwill;
or
• the dividend exceeds the total profits of the subsidiary in the financial year to which the dividend refers.
The recoverable value is the greater of the fair value net of sales costs and the value in use.
Fair value is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market operators on the transaction date.
Value in use is the present value of future financial flows that are expected to originate from an asset.
In determining value in use, estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the cost of money and the specific risks of the asset.
If the recoverable amount of an asset is estimated to be lower than the related book value, the latter is reduced to the recoverable value by recognizing a loss of value in the income statement.
When a write-down no longer has any reason to be maintained, the book value of the asset is increased to the new value deriving from the estimate of its recoverable value, but not beyond the original cost, recovering the restoration of value in the Income Statement.

Dividends

Dividend revenues are accounted for when the right for shareholders to receive the payment arises, following the shareholder resolution of the investee company.
Dividends payable by the Company are represented as a movement in equity in the year in which they are approved by the Shareholders' Meeting and are represented as a liability when the allocation of this dividend is approved.

For the new accounting standards, amendments and interpretations applicable from 1 January 2023, as well as those applicable subsequently, please refer to what is stated in the notes to the consolidated financial statements.

Main estimates adopted by management and discretional assessments

The preparation of the Company's financial statements requires directors to make discretionary assessments, estimates and hypotheses that influence the values of revenues, costs, assets and liabilities, as well as the indication of potential liabilities at the balance sheet date. However, the uncertainty regarding these hypotheses and estimates could lead to outcomes that will require, in the future, a significant adjustment to the book value of such assets and/or liabilities.

Estimates and hypotheses used

Below are shown key assumptions regarding the future and other important sources of uncertainty in estimates at the balance sheet date that could produce significant adjustments in the carrying values of assets and liabilities in future years. Realized results 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.

- Estimates adopted for the purpose of evaluating the losses in value of non-financial assets

  For the purposes of verifying any loss in value of the goodwill recorded in the financial statements, the Company has adopted the methodology already described in the paragraph "Losses in value of non-financial assets".
  The impairment test is carried out by comparing the book value with the recoverable value of each group of CGUs. The recoverable value of each CGU is determined with reference to the greater of the fair value net of sales costs and the value in use. In determining the value in use, future cash flows are discounted using a discount rate that reflects the current market assessment of the time value of money and the specific risks of the group of CGUs. The estimates and assumptions reflect the Company's state of knowledge regarding business developments and take into account prudent forecasts on future developments of the market in which the Company and the Group operate.

- *Expected credit losses* (credit write-downs): the Company pays great attention to the management of trade credits 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 while maintaining closeness to the customer which allows timely credit management and strengthening of the relationship with the customer. In light of this, Management has carried out a prudential estimate of Expected credit losses, which may be confirmed in the coming months based on the collection activities undertaken to date.

- Economic and financial plans: the Company has revised the economic and financial and performance forecasts formalized in the 2024 Budget. Likewise, it has made forecasts reflected in the financial flows underlying the impairment test for the next three years. These forecasts may be further influenced in the coming months by developments linked to the evolution of the Foodservice market, expected to be positive with expectations of "out-of-home consumption" also supported by important tourist flows from abroad, despite the presence of an internal economic situation which could impact the spending capacity of the final consumer, from inflationary dynamics and from the trend of electricity tariffs.

- Estimates adopted in the actuarial calculation for the purpose of determining defined benefit plans in the context of post-employment benefits:
  - The expected inflation rate is 2.00%;
  - The discount rate used is 3.08% (duration 7-10 years);
  - The annual rate of increase in severance pay is expected to be 3.00%;
  - An employee turnover of 6.5% is expected.

  Based on these parameters, the evaluation carried out at 31 December 2023 for the purposes of IAS 19 determines the following result:

Company (€)	Defined Benefit Obligation as at 31.12.23
MARR S.p.A.	5,096,231

Below is the sensitivity analysis for each actuarial hypothesis relevant at 31 December 2023, showing the effects that would have occurred following changes in the actuarial hypotheses reasonably possible at that date.

Sensitivity analysis of the main evaluation parameters

Company (€)	*Turnover +1,00%*	*Turnover -1,00%*	*Inflation rate +0,25%*	*Inflation rate -0,25%*	*Discounting rate +0,25%*	*Discounting rate -0,25%*
MARR S.p.A.	5,102,352	5,089,703	5,136,382	5,056,532	5,033,964	5,159,958

- Estimates adopted in the actuarial calculation for the purpose of determining the customer supplementary indemnity fund:
  - the expected voluntary turnover rate is 13%;
  - the expected corporate turnover rate is 2%;
  - the discount rate used is 2.95%[VI].

- Estimates adopted in determining deferred taxes: a discretionary evaluation is required from directors to determine the amount of deferred tax assets that can be accounted for, since they must estimate the probable temporal manifestation and the amount of future taxable profits.

Other financial statement elements 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, still require assumptions to be made regarding mainly the future realizability of the value of the inventories, the probability of collection of the receivables and the solvency of the creditors as well as the residual useful life of the assets which can be influenced both from market trends and from the information available to Management.

As regards climate change, please refer to what is reported in the Directors' Report. This aspect is constantly monitored in order to evaluate the possible impact on the estimates of the economic and financial forecasts. It should be noted that at the date of this report there are no significant risks linked to climate change that could lead to an adjustment of the accounting values of assets and liabilities or uncertainties that influence the hypotheses used to prepare the economic and financial estimates.

[VI] Average yield curve resulting from the index IBOXX Eurozone Corporates AA (5-7 years).

Capital management policy

With regard to capital management, it is a priority for the Company to maintain an appropriate level of equity in relation to debt (Net debt/Equity ratio or "gearing"), in order to guarantee capital solidity that is adequate for the management of financial flows .

Taking into account that, due to the characteristics of the business managed by the Company, the financial requirement is identified with the exposure in terms of commercial net working capital, the main indicator for the management of cash flows is briefly represented by the trend in the ratio between capital net commercial working capital and revenues ("Trade NWC on Total revenues").
Furthermore, always in relation to the seasonality factor that characterizes its business, the Company monitors the performance of the individual components of commercial net working capital (trade receivables and payables and inventories) both in absolute value and in terms of days of exposure.
Capital management is then also measured using the main indicators of financial practice, such as: ROS, ROCE, ROE, Net debt/Equity and Net debt/EBITDA.

Financial risks Management

The financial risks to which the Company is exposed in carrying out its business are the following:

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

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

Market risk

(i) Exchange rate risk: exchange rate risk arises when assets and liabilities recognized are expressed in a currency other than the company's functional currency (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's method of managing this risk consists on the one hand in entering into forward purchase/sale contracts for foreign currency specifically intended to cover individual commercial transactions, if the forward exchange rate is favorable compared to that of the transaction date.

As of 31 December 2023, a 5% appreciation of the Euro against the US dollar and other currencies, all other variables being equal, would have been reflected in a lower profit before taxes of 74 thousand euros (-263 thousand Euro in 2022), attributable to exchange gains (losses) on debts, trade receivables and cash denominated in foreign currencies, mainly dollars (due to the change in the fair value of current assets and liabilities).
The other equity items would have recorded a decrease of approximately 82 thousand euros (-37 thousand euros at 31 December 2022) attributable to the change in the cash flow hedge reserve (due to the change in the fair value of hedging contracts in to be).
On the other hand, on the same date, a 5% weakening of the Euro against the US dollar and other currencies, all other variables being equal, would have been reflected in a greater pre-tax profit of 82 thousand euros (+100 thousand euros in 2022).
The other equity items would have recorded an increase of 108 thousand euros, (+ 14 thousand euros at 31 December 2022) attributable to the change in the cash flow hedge reserve due to the change in the fair value of existing hedging contracts .

(ii) Interest rate risk: risks relating to changes in interest rates relate to financing. 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. To address this risk, the Parent Company has historically stipulated Interest Rate Swap contracts specifically related to partial or total hedging of some loans. Fixed rate loans expose the Group to the risk of changes in the fair value of the loans themselves.

In 2023, a hypothetical 10% increase or decrease in the interest rate, all other variables being equal, would have respectively produced a greater or lesser pre-tax charge (and therefore a corresponding change in net equity) of approximately 654 thousand of euros on an annual basis (182 thousand euros at 31 December 2022).

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

(iii) Price Risk: the Group makes purchases and sales worldwide and is therefore exposed to the normal risk of price fluctuations typical of the sector.

Credit risk

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

The Group deals only with known and reliable customers. It is Group policy that customers who request deferred payment terms are subject to procedures to verify their merit class. Furthermore, the credit balance 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 phase, in which the personal and fiscal data is collected and the information is verified - obtained both from the Sales Force and through the reading of commercial information - with the aim of assigning conditions consistent with the potential and reliability of each single new customer.
The activation of the new customer is subject to the completeness and regularity of the above-mentioned data and the approval of multiple corporate bodies according to the criteria indicated in the current policy.
Each new customer is assigned a credit line based on their potential and reliability, taking into account various information including the type of activity carried out, the number of years of activity, the reputation with other suppliers, the seasonality, the expected turnover and the agreed payment terms.

Once the above phase has been successfully completed, we enter the so-called monitoring phase of the commercial relationship.
In order to ensure risk containment and reduction of payment days, all orders received from customers are analyzed in terms of exceeding the assigned credit limit and/or the presence of expired exposure; this control involves the insertion of blocks on the records with different levels of severity as specified in the current policy.
The daily activity of order fulfillment control on customers who present situations of overdue and/or out of credit 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.

At the balance sheet reference date, the maximum exposure to credit risk is equal to the value of each category of credits indicated below:

(€ thousand)	31.12.23	31.12.22
Trade receivables	326,559	332,146
Other non current receivables	26,515	21,444
Other current receivables	35,458	40,229
Total	388,532	393,819

As regards the comments on the categories, please refer to note 10 for "Other non-current active items", to note 13 for "Trade receivables" and to note 16 "Other current active items". The value of trade receivables, other non-current active items and other current active items can be classified as "Level 3" financial assets, i.e. those in which the inputs are not based on observable market data.
The fair value of the above categories is not shown as the book value represents a reasonable approximation.

As of 31 December 2023, overdue trade receivables, net of the provision for bad debts, amounted to 67,834 thousand euros (67,762 thousand euros as of 31 December 2022). The composition by maturity is as follows:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Overdue:		
Less than 30 days	29,420	29,407
betweeen 31 and 60 days	12,499	11,822
betweeen 61 and 90 days	7,560	7,354
Over 90 days	61,271	61,844
	110,750	110,427
- Provision for write-down of receivables from customers	(42,916)	(42,665)
Total overdue trade receivables	67,834	67,762

Liquidity risk

The Group manages liquidity risk with a view to maintaining a level of liquid assets adequate for operational management, implemented through the constant monitoring of the centralized treasury of the collection and payment flows of all companies.
Given the dynamic nature of the sector, to deal with the ordinary management and seasonality of the business, priority is given to obtaining liquidity through the use of adequate credit lines.

As regards the management of resources absorbed by investment activities, priority is generally given to finding sources through specific long-term financing.

The following table analyzes the financial liabilities and derivative financial liabilities on the basis of the contractual maturity at the balance sheet date. Please note that the amounts indicated do not reflect book values as they consider expected future financial flows. Given the high volatility of the reference rates, the financial flows of the variable rate loans were estimated in line with what was done in previous years using a six-year rate determined by the IRS increased by the average spread applied to our medium-term loans. long term.

(€thousand)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 december 2023				
Borrowings	141,375	71,067	143,009	61,959
Financial payables for leases (IFRS 16)	12,414	12,165	31,670	26,112
Derivative financial instruments	0	0	67,731	0
Trade and other payables	333,654	0	0	0
	487,443	83,232	242,410	88,071
At 31 december 2022				
Borrowings	147,041	56,921	104,569	97,519
Financial payables for leases (IFRS 16)	11,529	11,208	28,621	29,982
Derivative financial instruments	0	0	0	0
Trade and other payables	350,704	0	0	0
	509,274	68,129	133,190	127,501

Classes of financial instruments

The following elements are accounted for in accordance with the accounting standards relating to financial instruments:

(€thousands)	31 December 2023			
Assets as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current financial receivables	9	0	0	9
Non-current derivative/financial instruments	0	126	0	126
Other non-current assets	26,515	0	0	26,515
Current financial receivables	19,956	0	0	19,956
Current derivative/financial instruments	0	2	0	2
Current trade receivables	326,559	0	0	326,559
Cash and cash equivalents	212,879	0	0	212,879
Other current receivables	35,458	0	0	35,458
Total	621,376	128	0	621,504
Liabilities as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current financial payables	257,436	0	0	257,436
Non-current lease liabilities (IFRS16)	62,594	0	0	62,594
Non-current derivative/financial instruments	0	68	0	68
Current financial payables	132,383	0	0	132,383
Current lease liabilities (IFRS16)	10,432	0	0	10,432
Current derivative/financial instruments	0	0	0	0
Total	462,845	68	0	462,913

(€thousands)	31 December 2022			
Assets as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current financial receivables	23	0	0	23
Non-current derivative/financial instruments	0	1,015	0	1,015
Other non-current assets	21,444	0	0	21,444
Current financial receivables	20,312	0	0	20,312
Current derivative/financial instruments	0	7	0	7
Current trade receivables	332,146	0	0	332,146
Cash and cash equivalents	182,566	0	0	182,566
Other current receivables	40,229	0	0	40,229
Total	596,720	1,022	0	597,742
Liabilities as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current financial payables	220,143	0	0	220,143
Non-current lease liabilities (IFRS16)	61,795	0	0	61,795
Non-current derivative/financial instruments	0	0	0	0
Current financial payables	135,609	0	0	135,609
Current lease liabilities (IFRS16)	9,589	0	0	9,589
Current derivative/financial instruments	0	0	0	0
Total	427,136	0	0	427,136

In compliance with the requirements of IFRS 13, we indicate that derivative financial instruments, consisting of exchange and rate hedging contracts, can be classified as "Level 2" financial assets, as the inputs that have a significant effect on the fair value recorded are directly observable market data (exchange and interest rate markets). Similarly, with regard to non-

current financial debts, whose exposure at fair value is indicated in paragraph 18 of these explanatory notes, they can also be classified as "Level 2" financial assets, as the inputs that influence the fair value are directly observable market data.
With regard to other non-current and current active items, please refer to what is indicated in paragraphs 10 and 16 of these explanatory notes.

The company identifies as "Level 1" financial assets/liabilities those in which the inputs that have a significant effect on the recorded fair value are represented by prices quoted in an active market for similar assets or liabilities and which "Level 1" financial assets/liabilities 3" those in which the inputs are not based on observable market data.

Comments on the main items of the consolidated statement of financial position MARR S.p.A.

ASSETS

Non-current assets

1. Tangible assets

Evidence of the movement of tangible fixed assets in 2023 and in the previous year is provided below.

(€thousand)	Balance at 31.12.23	Purchases	Other movements	Net decreases for disinvestments	Depreciation	Balance at 31.12.22
Land and buildings	53,251	1,956	900	0	(2,755)	53,150
Improvements on leased facilities	2,542	435	0	0	(449)	2,556
Plant and machinery	9,758	3,140	90	0	(2,374)	8,902
Industrial and business equipment	2,177	369	0	0	(349)	2,157
Other assets	5,006	2,023	290	(54)	(1,434)	4,181
Fixed assets under development and advances	23,962	17,565	(1,280)	0	0	7,677
Total	96,696	25,488	0	(54)	(7,361)	78,623

(€thousand)	Balance at 31.12.22	Purchases	Other movements	Net decreases for disinvestments	Depreciation	Variation for merger	Balance at 31.12.21
Land and buildings	53,150	51	(291)	(12)	(2,740)	0	56,142
Improvements on leased facilities	2,556	485	247	(51)	(406)	0	2,281
Plant and machinery	8,902	2,879	695	(110)	(2,285)	31	7,692
Industrial and business equipment	2,157	375	836	(3)	(402)	60	1,291
Other assets	4,181	1,166	191	(80)	(1,373)	7	4,270
Fixed assets under development and advances	7,677	6,858	(1,991)	0	0	0	2,810
Total	78,623	11,814	(313)	(256)	(7,206)	98	74,486

During the 2023 financial year, purchases amounted to 25,488 thousand euros and mainly concerned the item "Assets in progress and advances" due to the progress of the construction works of the new distribution center in Bottanuco (Bergamo), which is expected to become operational during 2024. It should be noted that as of 31 December 2023, the investments completed in relation to the new unit amounted to a total of 25 million euros, of which 17.4 million euros were made during 2023 and classified for 17.1 million euros within the item "Assets in progress and advances" and for the remaining 305 thousand euros within the item "Land and Buildings".
This investment is aimed at increasing local presence, the level of customer service and distribution efficiency in what is the most important region in terms of non-domestic food consumption in Italy.

During the third quarter of 2023, the extension of the third floor of the management headquarters in Santarcangelo di Romagna (RN) was completed and became available for use in July, in whose rooms the new company Academy was built. The overall investment was 2.7 million euros, of which 2.3 million euros for interventions relating to the building included in the item "Land and buildings", 178 thousand euros for the purchase of furniture and furnishings and 193 thousand euros for the purchase of electronic office machines, both displayed under the item "Other assets".

The increases in the items "Plant and machinery", "Industrial and commercial equipment" and "Other assets" mainly refer to revamping interventions of the branches.

Please refer to Annex 9 for details of the Land and Buildings owned by the Company as of 31 December 2023.

2. Right of use

This item represents the discounted value of future rents relating to multi-year operating leasing contracts in place as of 31 December 2023, as required by IFRS16 in force from 1 January 2019.

The movement of this item in the year 2023 and in the previous year is as follows:

(€thousand)	Balance at 31.12.23	Purchases	Net decreases for divestments	Depreciation	Balance at 31.12.22
Land and buildings - Rights of use	68,560	11,612	0	(10,395)	67,343
Other assets - Rights of use	317	127	0	(147)	337
Total Rights of use	68,877	11,739	0	(10,542)	67,680

(€thousand)	Balance at 31.12.23	Purchases	Net decreases for divestments	Depreciation	Variation for merger	Balance at 31.12.21
Land and buildings - Rights of use	67,343	12,178	(792)	(9,847)	49	65,755
Other assets - Rights of use	337	140	(19)	(327)	22	521
Total Rights of use	67,680	12,318	(811)	(10,174)	71	66,276

The value indicated above is represented by n. 49 rental contracts: n. 31 relating to the industrial buildings in which some of the Company's branches are located and no. 18 contracts relating to other assets, mainly vehicles and means of internal transport.

The increase in the right of use on buildings for 11,612 thousand euros is mainly related to the extension of some leasing contracts in which some branches operate.
The increase in the right of use on other assets for 127 thousand euros mainly refers to the signing of some leasing contracts on forklifts.

For details relating to the movement of the right of use, please refer to what is set out in Annex 4.

For a better understanding of the impacts, we also report below the changes in the related overall financial liability generated by the application of IFRS16 (please refer to paragraphs 19 and 24 for further details in this regard).

Lease liabilities for right of use (€thousand)	Balance at 31.12.23	Payments	Other movements	Balance at 31.12.22
Land and buildings	72,713	(9,950)	11,612	71,051
Other assets	313	(147)	127	333
Total	73,026	(10,097)	11,739	71,384

3. Goodwill

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Goodwill	138,544	138,232
Total Goodwill	138,544	138,232

The item did not change during the year.

Impairment test

At the end of each financial year, the Company carries out a check on the recoverability of intangible assets with an indefinite life.

The recoverable value of the CGU, to which the individual assets have been attributed, is verified by determining the value in use.

Furthermore, it is recalled, as already highlighted in the notes to the financial statements of previous years, that management deems it correct to consider the individual subsidiaries as the smallest aggregate that generates independent cash flows ('Cash Generating Unit').

In line with what was also done last year, as of 31 December 2023 the Management evaluates the return on the investment and therefore the recoverability of the goodwill at the aggregation level made up of MARR S.p.A and the subsidiary AS.CA S.p.A., based on the fact that from 1 February 2020 the subsidiary AS.CA S.p.A. rented its company to the parent company MARR and therefore the activities were integrated into those of the MARR Bologna and MARR Romagna branches.

The estimate of the value in use of the CGU for the purposes of the impairment test was based on the discounting of the related cash flows of the CGU, determined on the basis of the economic and financial forecasts reported in the Business Plan for the years 2024 - 2026 approved by the Board of Administration dated 14 December 2023.

In particular, for the purposes of determining cash flows, revenues and margins were assumed as follows:
- the sales revenues for the year 2024 were considered in line with the forecasts of the 2024 Budget, which were carried out assuming growth compared to 2023 revenues of approximately 2% and an increase in the EBITDA margin of approximately 0.6 %, essentially attributable to the recovery of gross margins and an incidence of costs for services almost aligned with the 2023 values;
- the sales revenues for the years 2025 and 2026 were considered equal to the revenues of 2024 considering a prudential growth of approximately 2.2%.

The investments were undertaken with reference to the forecasts reported in the Business Plan for the years 2024 - 2026, which in planning the investments up to the year 2026, envisaged a total outlay for the years from 2024 to 2026 of 237 million euros, without considering the outlays for the emergence of new business combinations. Investments deriving from the renewal of any expiring lease contracts were also considered.

The expected future cash flows, represented by the expected result of ordinary operations, to which depreciation is added and expected investments deducted, include a normalized value ("terminal value") used to estimate future results beyond the time frame explicitly considered relative to the period 2024-2026. The terminal value was determined using a long-term growth rate (“g rate”) of 1.5%.

The expected future cash flows were discounted at a weighted average cost of capital (“WACC”) rate equal to 8.41% (8.43% in the previous year) which reflects the current market assessment of the time value of money for the period considered and the specific risks of the country that makes up the individual CGU.
Below we report the main assumptions underlying the calculation of the WACC:

- the risk-free rate adopted refers to the average yield of the last quarter of the 10-year government bonds relating to the country Italy;
- the beta coefficient and the debt structure were considered taking as reference the average value of a panel of comparable companies;
- the tax rate used corresponds to the "regular" tax rate of the country that makes up the individual CGU.

In addition, it should be remembered that IFRS 16 has impacted both the carrying value of the net invested capital which includes the net book value of the rights of use at the balance sheet date and on the estimate of the 2024-2026 flows and the terminal value, mainly due to the greater operating cash inflows resulting from the positive effect on the Ebitda value and to greater cash outflows for investments which also include the flows deriving from the renewals of lease contracts.

Although the hypotheses on the macroeconomic context, the developments in the sector in which the Company operates, and the estimates of future cash flows are considered adequate and prudent, a sensitivity analysis was carried out on the WACC. In particular, the outcome of the impairment test was verified by applying the average value of the WACC proposed by the analysts (7.82% with forecast of a long-term growth rate (“g rate”) of 1.76% and the maximum value proposed by analysts (9.60% with forecast of a long-term growth rate (“g rate”) of 2.5%.
Furthermore, it was determined on the basis of equal assumptions in determining the expected future cash flows for the years from 2024 to 2026 and in maintaining a long-term growth rate ("g rate") of 1.5%, what would be the value maximum WACC for the purposes of holding the test (so-called break-even WACC), which was found to be equal to 11.14%.

Based on the impairment test carried out according to the principles and hypotheses analytically set out above and in the section "Main estimates adopted by management and discretionary assessments", the value of the overall goodwill of 138,544 thousand euros is completely recoverable.
It should also be noted that management believes that, given the prudence used in defining the key hypotheses used, a change in them cannot reasonably occur such as to produce a recoverable value of the units lower than their book value.

Cash Generating Unit	Carrying amount 31.12.23	Net Present Value Free Cash Flow	Change: Net Present Value Free Cash Flow - Carrying Value
		WACC 8.41% (g rate = 1.5%)	
MARR S.p.A. + AS.CA S.p.A.	544,651	801,189	256,538

The Free Cash Flow present value represents the value in use which is determined by discounting the expected cash flows deriving from the *Cash Generating Unit.*

Cash Generating Unit	Carrying amount 31.12.23	Net Present Value Free Cash Flow	Change: Net Present Value Free Cash Flow - Carrying Value
		WACC 7.82% (g rate = 1.76%)	
MARR S.p.A. + AS.CA S.p.A.	544,651	918,960	374,309

Cash Generating Unit	Carrying amount 31.12.23	Net Present Value Free Cash Flow	Change: Net Present Value Free Cash Flow - Carrying Value
		WACC 9.60% (g rate = 2.5%)	
MARR S.p.A. + AS.CA S.p.A.	544,651	744,442	199,791

Business combinations closed after the end of the year

No business combinations were finalized during the year or even after the balance sheet closing date.

4. Other intangible assets

Evidence of the movements in intangible assets in the year 2023 and in the previous year is provided below.
The increases for the year amounted to 673 thousand euros and concern the purchase of new licenses, software and applications, partly entered into operation and partly still in the implementation phase as of 31 December 2023 and therefore exposed to the item "Assets in progress and advances".

(€thousand)	Balance at 31.12.23	Purchases	Other movements	Net decreases	Depreciation	Balance at 31.12.22
Patents	1,977	602	473	0	(663)	1,565
Concessions, licenses, trademarks and similar rights	387	0	0	0	(23)	410
Intangible assets under development and advances	895	71	(473)	0	0	1,297
Total Other intangible assets	3,259	673	0	0	(686)	3,272

(€thousand)	Balance at 31.12.22	Purchases	Other movements	Net decreases	Depreciation	Variation for merger	Balance at 31.12.21
Patents	1,565	535	150	0	(556)	5	1,431
Concessions, licenses, trademarks and similar rights	410	0	0	0	(23)	423	10
Intangible assets under development and advances	1,297	412	(150)	0	0	0	1,035
Total Other intangible assets	3,272	947	0	0	(579)	428	2,476

5. Investments in subsidiaries and associated companies

(€thousand)		Balance at 31.12.23	Balance at 31.12.22
- Investment in subsidiaries			
Marr Foodservice Ibérica S.A.U.		402	403
As.ca S.p.A.		13,691	13,691
New Catering S.r.l.		7,439	7,439
Antonio Verrini S.r.l.		7,730	7,730
Frigor Carni S.r.l.		6,247	6,247
	Total	35,509	35,510
- Investment in associated companies			
Jolanda De Colò		1,828	1,828
	Total	1,828	1,828
Total Investments in subsidiaries and associated companies		37,337	37,338

A specific list has been prepared (Annex 6) indicating for each subsidiary and associated company the information required by point 5 of the art. 2427 of the Civil Code. This table also indicates the differences resulting between the values recorded in the financial statements and the corresponding fraction of net equity resulting from the latest financial statements or draft financial statements of the investee company. It should be noted that the positive differences are to be attributed to the future income prospects of the investees, as indicated below:

- 3,141 thousand euros attributable to the subsidiary AS.CA S.p.A. as MARR, with the purchase of this company, has further strengthened its presence in the Bologna area; Please note that with effect from 1 February 2020 MARR S.p.A. rented the entire business branch of the parent company and integrated its activities with those of the MARR Bologna and MARR Romagna branches;
- 1,813 thousand euros attributable to the subsidiary Antonio Verrini S.r.l.. The company operates in Liguria and Versilia through the 5 distribution centers at its disposal and has the dual objective of further developing the adjacent territories and assisting the MARR branches in increasing the level of service, on the product categories that characterize it, in favor of customers. This company, in addition to its expertise in terms of procurement, is able to enhance purchases also through its presence in the retail and wholesale channels, which are fundamental for product segmentation. Furthermore, its specialization in the Catering channel, which represents over half of Verrini's sales, can create important synergies on offer in the MARR Group, aimed in particular at Street Market customers in the territories of Piedmont, Liguria and Tuscany;
- 1,622 thousand euros attributable to the subsidiary Frigor Carni S.r.l. as MARR consolidates its operations in the sector within the Calabria region with the purchase of this company. The company based in Montepaone Lido (Catanzaro) operates 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 catering customers;
- 1,146 thousand euros attributable to the associated company Jolanda de Colò S.p.A.. We remind you that MARR purchased 34% of the shares of this company on 13 November 2019, thus entering into a partnership with one of the main national operators in the premium segment (high-end). MARR has also signed with the company ABA S.r.l. of the Pessot – de Colò family, which holds 66% of Jolanda de Colò, an irrevocable agreement which assigns to MARR – starting from 31 March 2022 - the option to purchase a majority stake in Jolanda de Colò through of a call option mechanism for MARR and put option for ABA on the remaining 33% of the share capital of Jolanda de Colò.

It should be noted that on 31 January 2024 the dissolution and liquidation operation of the company MARR Foodservice Iberica S.A. was completed. with the registration of the deed of dissolution in the Registro Mercantil of Madrid and consequent cancellation of the company.

Furthermore, on 23 February 2024 the Board of Directors of MARR S.p.A. has approved, pursuant to art. 2505 second paragraph of the civil code, the merger by incorporation into the parent company MARR S.p.A. of the wholly owned company AS.CA. S.p.A..

6. Investments in other companies

Below is the detail of the investments in other companies existing at 31 December 2023 and the comparison with the same period of the previous year.

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
- Other companies		
Centro Agro-Al. Riminese S.p.A.	166	166
Conai - Cons. Naz. Imball. - Roma	1	1
Idroenergia Scrl	1	1
Banca Malatestiana Cr.Coop.vo	2	2
Consorzio Assindustria Energia	1	1
Caf dell'Industria dell'Em. Romagna S.p.A.	2	2
Total Other companies	173	173

7. Non-current financial receivables

At 31 December 2023 this item amounted to 9 thousand euros (23 thousand euros at 31 December 2022) and includes the portion beyond one year of interest-bearing financial receivables from commercial partner companies.

8. Non-current derivative/financial instruments

The amount of 126 thousand euros at 31 December 2023 represents the positive fair value of the 2 Interest Rate Swap (IRS) derivative contracts stipulated to hedge the risk of changes in the interest rate on 70% of the value of the medium-term loan contract -long-term of 60 million euros subscribed by Marr S.p.A. on 1 July 2022 with Banca Nazionale del Lavoro S.p.A. (BNL) and Cooperatieve Rabobank U.A. (Rabobank).

9. Tax Assets / Liabilities for deferred taxes payable

At 31 December 2023 this item amounted to a net negative value of 578 thousand euros (1,232 thousand euros at 31 December 2022) classified under non-current liabilities under the item "Liabilities for deferred tax liabilities".

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
On taxed provisions	12,048	11,434
On costs deductible in cash	104	131
On costs deductible in subsequent years	1,854	1,595
On other changes	0	0
Deferred tax assets	14,006	13,161
On goodwill amortisation reversal	(10,263)	(9,873)
On funds subject to suspended taxation	(401)	(403)
On leasing recalculation as per IAS 17	(449)	(449)
On actuarial calc. of severance provision fund	147	136
On fair value revaluation of land and buildings	(3,285)	(3,285)
Others	(335)	(521)
Deferred tax liabilities	(14,585)	(14,394)
Deferred tax assets/(liabilities)	(578)	(1,232)

10. Other non-current assets

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Non-current trade receivables	3,585	5,092
Accrued income and prepaid expenses	1,470	2,482
Tax credits transferred by third parties	16,806	0
Other non-current receivables	4,654	13,870
Total Other non-current assets	26,515	21,444

Non-current trade receivables, equal to 3,585 thousand euros, mostly relate to agreements and payment terms defined with customers. Their decrease is linked to the reimbursements made during the year.
Prepaid expenses are mainly linked to promotional contributions with customers of a multi-year nature.
The item Other non-current receivables mainly includes receivables from the tax authorities for VAT on customer losses for 3,608 thousand euros, while the item Tax credits transferred amounting to 16,806 thousand euros includes the portion of tax credits received as a form of payment from some customers, whose use is permitted beyond 12 months (the current portion of 6,162 thousand euros is classified under current assets within the item Tax credits).
The decrease in the item Other non-current receivables is mainly due to the short-term classification of the installments of advances to suppliers on fishing campaigns, in line with the forecasts of contractually envisaged arrears.

Current assets

11. Inventories

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Finished goods and goods for resale		
Foodstuffs	59,607	61,587
Meat	20,187	20,746
Fish products	102,685	109,510
Fruit and vegetable products	115	124
Hotel equipment	2,878	3,158
	185,472	195,125
provision for write-down of inventories: to be deducted	(1,368)	(1,368)
Goods in transit	8,129	5,761
Packing	4,875	4,331
Total Inventories	197,108	203,849

The inventories are not encumbered by liens or other restrictions of ownership rights.
As regards the Inventory data, a decrease was recorded mainly linked to a different timing of supplies, in particular in the fish category.

The movements for the year are shown below:

(€thousand)	Balance at 31.12.23	Change of the year	Balance at 31.12.22
Finished goods and goods for resale	185,472	(9,653)	195,125
Goods in transit	8,129	2,368	5,761
Packing	4,875	544	4,331
	198,476	(6,741)	205,217
Provision for write-down of inventories	(1,368)	0	(1,368)
Total Inventories	197,108	(6,741)	203,849

12. Financial receivables

The item "Current financial receivables" is made up of:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Financial receivables from Parent companies	9,818	9,404
Financial receivables from Subsidiaries	10,138	10,908
Total Current financial receivables	19,956	20,312

As regards the details of financial credits vs. controlled and vs. parent companies (all interest-bearing, with interest rates aligned with market values) please refer to Annex 7 of these Notes.

13. Trade receivables

This item is made up of:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Trade receivables from customers	368,759	372,893
Trade receivables from Parent companies	691	450
Trade receivables from Subsidiaries	25	1,466
Trade receivables from Associated companies	0	2
Total Current trade receivables	369,475	374,811
Provision for write-down of receivables from customers	(42,916)	(42,665)
Total current net receivables	326,559	332,146

Trade receivables from parent companies amounting to 25 thousand euros (1,466 thousand euros at 31 December 2022) refer to transactions of a commercial nature which took place during the year with the parent company Cremonini S.p.A..
As regards the item Trade receivables from customers and other companies of the Cremonini Group amounting to 368,759 thousand euros (372,893 thousand euros at 31 December 2022), the details are provided below.

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Trade receivables from customers	347,866	348,709
Receivables from Associated companies consolidated by the Cremonini Group	20,893	24,184
Total current trade receivables from customers	368,759	372,893

Receivables from customers, due within the financial year, deriving partly from normal sales operations and partly from the provision of services, were valued on the basis of what was previously indicated. The receivables are exposed net of a provision for write-downs of 42,916 thousand euros, as highlighted in the following movements.

Receivables "from subsidiaries" (691 thousand euros), "from parent companies" (25 thousand euros) and "from associated companies consolidated by the Cremonini Group" (20,893 thousand euros) are analytically shown, together with the corresponding debt, in the following Annex 7. These credits are all of a commercial nature.

The item Trade receivables is net of a credit transfer program on an ongoing and non-recourse basis following a Contract initially signed in May 2014 and subsequently renewed in December 2018 for a further period of 5 years.
As of 31 December 2023, the outstanding amount transferred was equal to 84,044 thousand euros (81,846 thousand euros as of 31 December 2022), an increase compared to last year due to the increase in turnover.

Receivables in foreign currencies were adjusted to the exchange rate in force at 31 December 2023.

At each balance sheet reference date, receivables from customers are analyzed to verify the existence of indicators of a possible reduction in value. In order to carry out this analysis, the Company evaluates whether there are expected losses on receivables from customers over the entire duration of such receivables and takes into consideration the experience historically gained by the same regarding losses on receivables, grouped into homogeneous classes, and corrected on the basis of factors specific to the nature of the Company's receivables and the economic context. Trade receivables are written down when there is no rational expectation of being recovered and any write-down is recognized in the income statement under the item "losses due to impairment of financial assets measured at amortized cost".

The provision for bad debts, during 2023, changed as follows and the determination of the provision for the period reflects the exposure of the credits - net of the provision for bad debts - at their presumed realizable value.

(€thousand)	Balance at 31.12.23	Increases	Decreases	Other movements	Balance at 31.12.22
- Tax-deductible provision	2,086	2,050	(2,035)	36	2,035
- Taxed provision	40,826	11,900	(11,664)	(36)	40,626
- Provision for default interest	4	0	0	0	4
Total Provision for write-down of Receivables from customers	42,916	13,950	(13,699)	0	42,665

14. Tax Receivables

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Ires/Irap tax advances /withholdings on interest	203	12
VAT carried forward	6,430	150
Tax credit	6,581	2,007
Irpeg litigation	25	25
Ires transferred to the Parent Company	11	3,924
Receivable for Ires	0	105
Receivable for Irap	0	457
Other	265	319
Total Tax assets	13,515	6,999

The VAT credit item of 6,430 thousand euros refers to the VAT credit balance accrued as of 31 December 2023 and which will be recovered soon. Please note that during the year 2023 MARR S.p.A. did not adhere to the so-called Group VAT Procedure with the Parent Company Cremonini S.p.A..

The amount of the item Tax credits equal to 6,581 thousand euros is made up of 6,162 thousand euros of the current portion of tax credits received as a form of payment from some customers and the remaining part is mainly made up of accrued tax credits by the Company on investments in capital goods. It should be noted that the portion of tax credits whose use is permitted beyond 12 months is reclassified for 16,806 thousand euros in non-current assets within the item "Other non-current active items".

At 31 December 2022 the item "IRES benefit transferred to the parent company" referred to the increased IRES advances paid during the financial year. In this regard, please note that the company adheres to the tax consolidation of the Cremonini Group.
The amount of 457 thousand euros relating to the item "IRAP credit" was also related to the greater IRAP advances paid during the financial year.

15. Cash and cash equivalents

The balance represents the liquid assets and the existence of cash and values at the closing date of the period.

For the evolution of cash and liquid assets, please refer to the financial statement for the 2023 financial year.

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Cash and Cheques	16,692	14,696
Bank and postal accounts	196,187	167,870
Total Cash and cash equivalents	212,879	182,566

16. Other current assets

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Accrued income and prepaid expenses	1,817	1,357
Other receivables	33,641	38,872
Total Other current assets	35,458	40,229

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Accrued income	136	0
Prepaid expenses		
Leases on buildings and other assets	2	2
Maintenance fees	543	387
Commercial and advertising costs	0	24
Insurance costs/Administration services	34	45
Other prepaid expenses	1,102	899
Total Current accrued income and prepaid expenses	1,817	1,357

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Guarantee deposits	140	118
Other sundry receivables	3,636	4,398
Other sundry receivables from Associated Company	0	7
Provision for write-down of receivables from others	(5,183)	(3,108)
Receivables from social security institutions	278	268
Receivables from agents	1,961	2,028
Receivables from employees	44	83
Receivables from insurance companies	2,601	1,713
Advances and deposits	334	353
Advances to suppliers and supplier credit balances	29,698	32,592
Advances to suppliers and supplier credit balances from Associates	132	420
Total Other current receivables	33,641	38,872

The item "Advances and other credits from suppliers" includes payments made to foreign suppliers (extracee) for the purchase of goods with "f.o.b." clause. and previews of upcoming fishing campaigns.
It should be noted that starting from last year the company classifies as a reduction of commercial liabilities both the part of the receivable from suppliers relating to the year-end bonuses to be received and that of the promotional and marketing contributions to be received in relation to the year 2023.
Receivables from foreign suppliers in foreign currencies, where necessary, have been adjusted to the exchange rate of 31 December 2023.

The item "Receivables from insurance companies" equal to 2,601 thousand euros mainly refers to the credit that MARR S.p.A. claims against the insurance company in relation to compensation for damages suffered following the fire at the MARR San Remo branch in Taggia (Imperia) which occurred on 12 November 2022.
The event had led to the immediate opening of the related accident reports and from the checks carried out there are no uncertainties regarding the fact that the damages, relating in particular to goods, assets and interruption of activity, will find adequate compensation.

The provision for doubtful accounts receivable from others refers to receivables from commercial technicians and receivables from suppliers. During the year the fund showed the following movements:

(€thousand)	Balance at 31.12.23	Increases	Decreases	Balance at 31.12.22
- Provision for Receivables from Others	5,183	2,500	(425)	3,108
Total Provision for write-down of Receivables from others	5,183	2,500	(425)	3,108

Breakdown of receivables by geographical area

The breakdown of credits by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial receivables	9	0	0	9
Non current derivative/ financial instruments	126	0	0	126
Deferred tax assets	0	0	0	0
Other non-current assets	25,999	0	587	26,586
Financial receivables	9,818	0	0	9,818
Current derivative/ financial instruments	2	0	0	2
Trade receivables	323,625	14,529	6,939	345,093
Tax assets	13,838	75	0	13,913
Other current assets	15,460	2,461	19,980	37,901
Total receivables by geographical area	388,877	17,065	27,506	433,448

LIABILITIES

17. Shareholders' Equity

As regards the changes within the Shareholders' Equity, please refer to the relevant movement statement.

Social Capital
The Share Capital at 31 December 2023, equal to 33,263 thousand euros, is unchanged compared to the previous year and is represented by n. 66,525,120 ordinary shares of MARR S.p.A., fully subscribed and paid up, with regular dividend rights, with a nominal value of 0.50 euros each.

Share premium reserve
This reserve amounts to 63,348 thousand euros as of 31 December 2023 and is unchanged compared to 31 December 2022. It should be noted that part of this reserve, for a value of 7,272 thousand euros, is to be considered unavailable ex. art. 2357-ter of the Civil Code for the purchase of own shares. This amount is highlighted in the net equity movement table under the item "Purchase of treasury shares".

Legal reserve
This reserve amounts to 6,652 thousand euros and is unchanged compared to 31 December 2022.

Payment to shareholders' capital account
This reserve did not undergo changes during 2023 and amounts to 36,496 thousand euros.

IAS/IFRS transition reserve
This is the reserve (equal to 7,516 thousand euros) established following the first adoption of international accounting standards and has not undergone changes during the year.

Extraordinary reserve
This reserve amounts to 148,173 thousand euros and the increase for the year of 334 thousand euros derives from the allocation of the result for the 2022 financial year.

Cash flow hedge reserve
This item amounts to a value of 46 thousand euros at 31 December 2023 and is linked to the stipulation of three contracts to hedge the risk of changes in the interest rate on medium-long term financing contracts.

Reserve stock options
This reserve did not undergo changes during the year as the repayment plan concluded in April 2007 and amounts to 1,475 thousand euros.

Reserve IAS19
This reserve amounts to a positive value of 577 thousand euros as at 31 December 2023 and includes the value, net of the tax effect, of the actuarial losses and profits relating to the evaluation of the TFR as established by the amendments made to IAS 19 "Benefits for employees", applicable to financial years starting from 1 January 2013. These profits/losses were accounted for, consistently with the provisions of the IFRS, in equity and their change in the financial year was highlighted (as required by IAS 1revised, applicable from 1 January 2009) in the statement of overall consolidated economic result.

Reserve ex. Art. 55 Presidential Decree 917/86
The related deferred tax liabilities have been accounted for on the reserves in suspension of taxation (reserve pursuant to Art. 55 Presidential Decree 917/86 and 597/73), which at 31 December 2023 amounted to 1,432 thousand euros.

To complete the comment on the items that make up the Shareholders' Equity, the following is specified:

(€thousands)	*at 31 December 2023*	Possible utilization	Available quota
Share Capital	33,263		
Reserves:			
Share premium reserve	51,394	A,B,C	51,394
Legal reserve	6,652	B	
Revaluation reserve	13	A,B,C	13
Shareholders contributions or capital account	36,496	A,B,C	36,496
Extraordinary reserve	148,174	A,B,C	148,174
Reserve for exercised stock options	1,475	-	
Cash-flow hedge reserve	46	-	
Reserve for transition to the Ias/Ifrs	7,516	-	
Reserve ex art. 55 (DPR 597-917)	1,432	A,B,C	1,432
Surplus for mergers	9,522	A,B,C	9,522
Reserve IAS19	(577)	-	
Total Reserves	262,142		
Profits carried over	43,269	A,B,C	

The item "Share premium reserve" is net of the cost of own shares, reduced by their nominal value, equal to 11,445 thousand euros

Legend:
A: for capital increase
B: to cover losses
C: for distribution to members

Non-current liabilities

18. Non-current financial payables

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Payables to banks - non-current portion	157,532	119,769
Payables to other financial institutions - non-current portion	99,904	99,874
Payables for the purchase of quotas / shares / going conceme	0	500
Total non-current financial payables	257,436	220,143

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Payables to banks (1-5 years)	157,532	111,753
Payables to banks (over 5 years)	0	8,016
Total payables to banks - Non-current portion	157,532	119,769

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Payables to other financial institutions (1-5 years)	39,924	19,913
Payables to other financisl institutions (over 5 years)	59,980	79,961
Total payables to other financial institutions - Non-current portion	99,904	99,874

The balance of non-current financial payables amounting to a total of 257,436 thousand euros is made up of 157,532 thousand euros of the portion beyond 12 months of debts to banks and 99,904 thousand euros of the residual debt relating to the bond loan with PRICOA expiring July 29, 2031.

The change in long-term bank debt is the result of the combined effect of the repayments linked to the ordinary progress of the amortization plans of existing medium and long-term loans and the increases linked to new loans taken out during the year.
In particular, during the year the Parent Company MARR S.p.A. repaid installments of medium-long term loans for a total of 101.9 million euros and subscribed to loans for a total amount of 110 million euros, as indicated below:

- on 20 February 2023, a medium-term loan contract of 5 million euros was signed with Credito Emiliano with a 36-month amortizing term with quarterly installments and a 12-month pre-amortization, with disbursement on the same date. The contract does not include financial covenants.
- on 29 March 2023, a medium-term loan contract of 5 million euros with Bcc Carate Brianza was signed, with disbursement on the same date, for 54 months in amortizing terms with quarterly installments and a pre-amortization of 6 months. The contract does not include financial covenants.
- on 18 April 2023, a medium-term loan contract of 10 million euros was signed with Cassa di Risparmio di Bolzano SpA for 48 months in amortizing with quarterly instalments, with disbursement on 19 April 2023.
The contract includes financial covenants.
- on 15 June 2023, a medium-term loan contract of 25 million euros with Intesa Sanpaolo was signed with disbursement on 19 June 2023 with a 48-month amortizing term with half-yearly installments and a 12-month grace period. The contract includes financial covenants.
- on 20 June 2023, a medium-term loan contract of 5 million euros was signed with Banca di Credito Cooperativo RivieraBanca for 48 months in amortizing with quarterly instalments, with disbursement on the same date 20 June 2023. The contract does not include financial covenants.
- on 29 June 2023 it signed a medium-term loan agreement with UniCredit with disbursement on 3 July 2023, for the amount of 30 million euros over 36 months in amortizing with half-yearly installments and a 6-month grace period. The contract includes financial covenants.
- on 22 November 2023, a medium-term loan agreement for the amount of 30 million euros with BNL was signed, with disbursement on the same date, with a 60-month amortizing term with half-yearly installments and a 12-month grace period. The contract includes financial covenants.

Below is the breakdown of the medium and long-term portion of debts to banks with an indication of the interest rates applied:

Credit institutes	Interest rate	Expiry	Portion from 2 to 5 years	Portion beyond 5 years	Balance at 31.12.23
Crédit Agricole	Euribor 6m +0,90%	09/04/2026	2,614	0	2,614
Banca Popolare dell'Emilia Romagna	Euribor 6m +1,15%	25/10/2025	2,526	0	2,526
Crédit Agricole	Euribor 3m +1,25%	28/06/2028	9,100	0	9,100
BNL-Rabobank	Euribor 6m +1,5%	01/07/2028	46,542	0	46,542
ICCREA	Euribor 3m +1,15%	10/08/2025	7,566	0	7,566
Cassa di Risparmio di Ravenna	Euribor 3m +1,5%	11/08/2027	4,040	0	4,040
Credem	Euribor 3m +1,1%	20/02/2026	3,183	0	3,183
BCC Carate Brianza	Euribor 3m +1,3%	29/09/2027	3,541	0	3,541
Cassa di Risparmio di Bolzano	Euribor 3m +1,60%	30/06/2027	6,467	0	6,467
Intesa Sanpaolo	Euribor 6m +1,75%	15/06/2027	20,781	0	20,781
BCC Riviera Banca	Euribor 3m +1,1%	20/06/2027	3,228	0	3,228
Unicredit	Euribor 6m +1,75%	29/06/2026	17,976	0	17,976
BNL	Euribor 6m +1,2%	22/11/2028	29,968	0	29,968
			157,532	0	157,532

It should be noted that as of 31 December 2023 there are no mortgage guarantees encumbering the Company's properties.

The following table contains a detailed description of the financial covenants in place at the end of the financial year and the related financing.

Credit institutes	Due date	Residual value	Covenants			Reference Date	
			NFP/ Net Equity	NFP/ EBITDA	EBITDA/ Net financial charges	30 June	31 December
Credito Valtellinese	05/01/2024	1,261	=< 2.0	=< 3.5			✔
Crédit Agricole	09/04/2026	4,253	=< 2.0	=< 4.0			✔
Popolare dell'Emilia Romagna	25/10/2025	5,035	=< 2.0	=< 4.0			✔
Crédit Agricole	28/06/2028	11,408	=< 2.0	=< 3.5			✔
BNL-Rabobank	01/07/2028	59,803	=< 1.5	=< 3.5	>= 4.0		✔
Cassa di Risparmio di Bolzano	30/06/2027	8,849	=< 2.0	=< 4.0			✔
Intesa Sanpaolo	15/06/2027	24,907	=< 2.0	=< 3.5	>= 4.0		✔
Unicredit	29/06/2026	29,940	=< 2.0	=< 3.5	>= 4.0	✔	✔
BNL	22/11/2028	29,957	=< 1.5	=< 3.5	>= 4.0		✔
		175,413					
PRICOA Private Placement bond	29/07/2031	99,884	=< 1.5	=< 3.5	>= 4.0	✔	✔
		99,884					

All financial covenants were respected as of 31 December 2023.

The item Payables to other financiers, the non-current portion of 99,904 thousand euros, refers entirely to the debt relating to the bond loan with PRICOA having a fixed rate of 1.65% and expiring on 29 July 2031.

19. Non-current lease liabilities (IFRS16)

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Financial payables for leases - Right of use (2-5 years)	38,954	34,755
Financial payables for leases - Right of use (over 5 years)	23,640	27,040
Total payables for leases - Right of use - Non-current portion	62,594	61,795

This item includes the financial debt mainly related to the multi-year lease contracts of the properties where some of MARR's branches are located.
The liability was recognized in accordance with the provisions of the new IFRS16 which became effective from 1 January 2019 and is determined as the present value of future lease payments, discounted at a marginal interest rate which, based on the contractual duration envisaged for each single contract, was identified in a range between 1% and 5.7%.

20. Employee benefits

The item includes the debt for severance pay, for which the changes in the period are shown:

(€thousand)	
Opening balance at 31.12.22	*5,687*
payments of the period	(769)
provision for the period	352
other changes	(111)
Closing balance at 31.12.23	5,159

The employment contract applied is that of companies operating in the "Tertiary, Distribution and Services" sector.
With reference to the relevant actuarial assumptions (as indicated in the paragraph "Main estimates adopted by management and discretionary assessments").

21. Provisions for non-current risks and charges

(€thousand)	Balance at 31.12.23	Allocations	Uses	Balance at 31.12.22
Provision for supplementary clients severance indemnity	4,569	423	(376)	4,522
Provision for specific risks	1,270	450	(273)	1,093
Total Provisions for non-current risks and charges	5,839	873	(649)	5,615

The *customer supplementary indemnity fund* was set aside, in line with the provisions of IAS 37, based on the reasonable estimate, taking into consideration the elements available, of the probable future liability.
The *provision for specific risks* was set aside mainly for probable liabilities connected to some ongoing legal disputes and its decrease is related to the settlement of some of the ongoing disputes.

In relation to the ongoing disputes with the Customs Agency (which arose during 2007 regarding the payment of preferential customs duties on certain imports of fish products and for which, despite the Company's appeals having been rejected, the first instance judges have ascertained its absolute non-involvement in the contested irregularities, as they are attributable exclusively to its suppliers) with sentence no. 110/2020 issued by the Regional Tax Commission of Tuscany on 19 April 2021, the judges of merit expressed their opinion in favor of the Company, fully confirming what has already been established by the Supreme Court of Cassation with order number 15358/19 of 04/16/2019.

Potential liabilities.

In relation to the disputes in court originating from the INPS inspection reports notified in 2021 due to the solidarity obligation pursuant to art.29 Legislative Decree 276/2003 relating to disputed omissions of contribution payments and/or undue compensation to burden on contracting companies for handling and porterage services that have ceased to operate for MARR, it is believed that significant economic damage cannot result and in any case not at present borne by MARR. This assessment is supported by the progress of the ongoing appeal proceedings, as highlighted by the findings of the case and the notes of the prosecutor's consultants in the disputes.

22. Other non-current payables

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Accrued expensed and prepaid income	382	575
Others non current liabilities	4,700	3,161
Total other non-current payables	5,082	3,736

The item "accruals and deferred income" represents the portion beyond one year of deferred income on interest income from customers.
The item "other miscellaneous debts" is instead represented by security deposits paid by transporters.

Current liabilities

23. Current financial payables

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Financial payables to subsidiaries	14,724	15,363
Payables to banks	114,780	115,720
Payables to other financial institutions	679	826
Payables for the purchase of quotas/shares/going concerne	2,200	3,700
Total Current financial payables	132,383	135,609

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Payables to other financial institutions	679	678
Payables to shares for dividends	0	148
Total Current financial payables to other financial istitutions	679	826

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Payables for the purchase of quotas/shares/going concerne	2,200	3,700
Total Other Current financial payables	2,200	3,700

Debiti verso banche quota corrente:

(€thousand)		Balance at 31.12.23		Balance at 31.12.22
Current accounts		652		740
Loans/Advances		44,034		15,075
Loans:				
- Cassa di Risparmio di Ravenna	0		843	
- BNL	0		29,992	
- Credito Valtellinese	1,261		2,512	
- Riviera Banca	0		1,504	
- Intesa San Paolo Tranche A	0		3,999	
- Intesa San Paolo Tranche B	0		29,999	
- Credito Emiliano	0		940	
- Crédit Agricole	1,639		1,611	
- Ubi Banca	0		5,032	
- Riviera Banca	5,015		4,980	
- Cassa Centrale Pool	10,170		9,902	
- Bper	2,509		2,491	
- Crédit Agricole	2,308		2,334	
- BNL-Rabobank	13,261		0	
- ICCREA	9,955		2,454	
- Cassa di Risparmio di Ravenna	1,324		1,312	
- Credem	1,815		0	
- BCC Carate Brianza	1,173		0	
- Cassa di Risparmio di Bolzano	2,382		0	
- Intesa San Paolo	4,126		0	
- Riviera Banca	1,192		0	
- Unicredit	11,964		0	
		70,094		99,905
		114,780		115,720

As regards the movement of mortgages and loans, please refer to what has already been stated in paragraph 18 "Non-current financial payables".

As regards the details of financial payables to subsidiaries (which accrue interest at market rates), please refer to what is indicated in Annex 7 of these Commentary Notes.

24. Current lease liabilities (IFRS16)

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Financial payables for leases - Right of use	10,432	9,589
Total Payables for leases - Current portion	10,432	9,589

This item includes the financial debt expiring within one year mainly related to the multi-year lease contracts of the properties where the Company's branches are located.
As also reported in paragraph 19 with reference to the non-current portion of financial payables for leases, it is recalled that the liability was recognized in accordance with the provisions of the new IFRS16 which became effective from 1 January 2019 and is determined as the present value of the "leases future payments", discounted at a marginal interest rate which, based on the contractual duration envisaged for each individual contract, has been identified in a range between 1% and 5.7%.

25. Current tax liabilities

The composition of the entry is as follows:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Irap	1,604	0
Ires transferred to the Parent Company	7,693	0
Other taxes payable	130	271
Irpef for employees	1,271	1,201
Irpef for external assistants	268	387
Total Current taxes payable	10,966	1,859

This item refers to tax debts that are certain and determined in amount.

The item "IRAP debt" equal to 1,604 thousand euros represents the amount due at 31 December 2023 for the tax applicable for the financial year, net of advances paid during the financial year.

The item "IRES charge transferred to the Parent Company" equal to 7,693 thousand euros refers to the IRES debt balance at 31 December 2023, net of advances paid during the financial year. The company adheres to the tax consolidation of the Cremonini Group.

Finally, evidence is given of the fact that for MARR S.p.A., due to the ordinary assessment deadlines and except for the tax disputes currently pending, the financial years 2018 and following are still verifiable by the tax authorities.

26. Current trade liabilities

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Suppliers	318,309	321,300
Payables to Associated companies	32	0
Payables to Associated companies consolidated by the Cremonini Group	14,710	28,768
Payables to Subsidiaries	290	454
Payables to Correlated Companies	(22)	(22)
Trade payables to Parent Companies	325	204
Total Current trade liabilities	333,644	350,704

Payables mainly refer to balances deriving from transactions with suppliers of goods and services and to the debt to commercial agents. They also include "Payables to associated companies consolidated by the Cremonini Group" for 14,710 thousand euros, "Payables to subsidiary companies" for 290 thousand euros and "Payables to parent companies" for 325 thousand euros. The analytical detail is set out in the following Attachment 7.

27. Other current liabilities

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Current accrued expenses and deferred income	164	156
Other payables	13,994	11,220
Total Other current liabilities	14,158	11,376

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Deferred income for interests from clients	13	11
Other deferred income	151	145
Total Current accrued expenses and deferred income	164	156

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Inps/Inail and Other social security institutions	2,000	1,757
Enasarco/ FIRR	919	791
Payables to personnel for emoluments	5,406	5,012
Accruals for emoluments to employees/directors	1,096	1,048
Advances from customers, customers credit balances	1,393	1,314
Payables to Directors	218	472
Other sundry payables	2,962	826
Total Other payables	13,994	11,220

The post office "Debts to staff for emoluments" and "Accruals for emoluments. to employees/directors" include the current salaries still to be paid as of 31 December 2023 and the allocations relating to accrued and untaken holidays and related charges.

Breakdown of payables by geographical area

The breakdown of debts by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial payables	257,436	0	0	257,436
Non-current lease liabilities (IFRS16)	62,594	0	0	62,594
Non-current derivative/financial instruments	68	0	0	68
Employee benefits	5,159	0	0	5,159
Provisions for risks and charges	5,839	0	0	5,839
Deferred tax liabilities	578	0	0	578
Other non-current liabilities	5,082	0	0	5,082
Current financial payables	131,981	402	0	132,383
Current lease liabilities (IFRS16)	10,432	0	0	10,432
Current derivative/financial instruments	0	0	0	0
Current tax liabilities	10,966	0	0	10,966
Current trade liabilities	293,870	28,696	11,078	333,644
Other current liabilities	14,093	52	13	14,158
Total payables by geographical area	798,098	29,150	11,091	838,339

Guarantees, securities and commitments

These are guarantees given both by third parties and by our Company for debts and other obligations.

Guarantees (for a total of 33,484 thousand euros) referring to:

- guarantees issued on behalf of MARR S.p.A. in favor of third parties (equal to 33,444 thousand euros). These are sureties given, upon our request, by credit institutions to guarantee the correct and punctual execution of procurement and non-procurement contracts, with both annual and multi-annual durations;

- sureties provided by MARR S.p.A. in favor of financial institutions in the interest of subsidiary companies. At 31 December 2023 this item amounted to 40 thousand euros and refers to the credit lines granted to investee companies, as detailed below:

(€thousand)	Balance at 31.12.23	Balance at 31.12.22
Guarantees		
Antonio Verrini S.r.l.	40	40
Total Guarantees	40	40

Real guarantees given

As of 31 December 2023, there are no mortgage guarantees in place on the properties of the Group companies.

Other risks and commitments

This item includes 12,602 thousand euros relating to letters of credit issued by some credit institutions to guarantee obligations undertaken with our foreign suppliers.

Comments on the main items of the statement of profit or loss of MARR S.p.A.

28. Revenues

Revenues are made up of:

(€thousand)		31.12.2023	31.12.2022
- Net Revenues from sales of goods		1,916,186	1,772,575
- Revenues from services			
Advisory services to third parties		585	608
Manufacturing on behalf of third parties		26	24
Rent income (typical management)		33	38
Other services		198	135
	Total	842	805
Total Revenues		**1,917,028**	**1,773,380**

Total revenues compared to the last financial year were characterized by an increase of 143,648 thousand euros (+8.10%). For a more detailed analysis of the revenue trend and the comparison with the same period of the previous year, please refer to what is stated 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)	31.12.2023	31.12.2022
Italy	1,830,169	1,690,556
European Union	67,054	54,103
Extra-EU countries	19,805	28,721
Total	**1,917,028**	**1,773,380**

Below is the breakdown of revenues from the sale of goods divided by category of activity:

(€thousand)	31.12.2023	31.12.2022
Foodstuff	948,288	812,381
Meat	334,306	313,914
Seafood	562,950	584,859
Fruit and vegetables	83,185	70,623
Hotel equipment	8,263	8,102
Trade discounts/year-end bonuses	(20,806)	(17,304)
Total Revenues from sales of goods	**1,916,186**	**1,772,575**

Revenues were achieved mainly across the entire national territory, including the islands. Below we list the total net sales (in millions of euros) achieved in 2023 by the Rimini headquarters and by each individual peripheral unit (branches and divisions):

(million Euros)	31.12.2023	31.12.2022
Branch: Marr Napoli	51	50
Branch: Marr Milano	112	97
Branch: Marr Roma	83	79
Branch: Marr Venezia	93	80
Branch: Marr Supercash&carry - Rimini	22	20
Branch: Marr Sardegna	84	80
Branch: Marr Romagna - Rimini	83	80
Emiliani Division - Rimini	183	198
Carnemilia Division - Bologna	1	2
Branch: Marr Sicilia	38	34
Branch: Marr Sanremo	22	22
Branch: Marr Elba	9	9
Branch: Marr Genova	34	31
Branch: Marr Dolomiti	15	14
Branch: Marr Torino	69	60
Branch: Marr Calabria	69	64
Branch: Marr Sfera	67	59
Branch: Marr Toscana	73	64
Branch: Marr Urbe	94	75
Branch: Marr Arco	29	25
Branch: Marr Lago Maggiore	17	17
Branch: Marr Battistini e Polo ittico	40	42
Branch: Marr Hotel Division	7	7
Branch: Marr Catania	39	33
Branch: Marr Sifrutta	10	8
Branch: Marr FreshPoint	6	5
Branch: Marr Scapa Marzano	237	206
Branch: Marr Scapa Pomezia	89	82
Santarcangelo - Rimini	0	1
Branch: Marr Costermano	0	6
Branch: Marr Puglia	60	54
Branch: Marr Adriatico	92	88
Branch: Marr Bologna	109	98
Others (trade discounts / year-end bonuses)	(21)	(17)
Total Revenues from sales of goods	1,916	1,773

Finally, it should be noted that there are no customers who can generate a significant concentration of revenues (equal to 10% of total revenues).

29. Other revenues

Other revenues and income are made up as follows:

(€thousand)	31.12.2023	31.12.2022
Other sundry earnings	1,620	1,637
Revenues for accrued tax credits	1,492	3,077
Reimbursements for damages suffered	2,507	2,576
Reimbursement of expenses incurred	570	392
Recovery of legal fees	45	142
Capital gains on disposal of assets	76	81
Total Other revenues	6,310	7,905

The Other miscellaneous item is made up of approximately 400 thousand euros of revenues deriving from the sale of packaging, 129 thousand euros of gifts from suppliers and the remaining part of proceeds deriving from the closure of cost allocations from previous years and the closure of previous disputes with agents.

The item Revenues from tax credits includes 1,492 thousand euros of the amount of extraordinary contributions granted in the form of tax credits in relation to the first half of 2023 by the Italian Government in favor of companies with high consumption of electricity and natural gas to mitigate the sudden and disproportionate increase in the prices of energy raw materials. Last year the amount of these tax credits was equal to 3,077 thousand euros.
For the Marr Group, consumption mainly refers to the electricity necessary for the operation of the refrigeration and cooling systems and that the gas is used in a residual manner only for heating the buildings.
The companies of the Marr Group, within the regulatory framework that governs the requirements for access to the benefit, all qualify as "Non-energy-intensive companies" and "Non-gas-intensive companies".

The item Reimbursement for damages suffered includes the additional amount of 530 thousand euros relating to the insurance compensation connected to the damages that emerged following the malicious fire that destroyed the MARR Sanremo branch on 12 November 2022. Already last year, income deriving from the insurance reimbursement amounting to 1,560 thousand euros had been recorded. The event had led to the immediate opening of the related accident reports and from the checks carried out there are no uncertainties regarding the fact that the damages, relating in particular to goods, assets and interruption of activity, will find adequate compensation.

30. Purchase of goods for resale and consumables

The entry is made up of:

(€thousand)	31.12.2023	31.12.2022
Purchases of goods	1,509,175	1,426,742
Purchases of packages and packing material	6,209	7,420
Purchase of stationery and printed paper	901	849
Purchase of promotional and sales materials, and catalogues	200	212
Purchase of various materials	446	541
Fuel for industrial motor vehicles and cars	354	328
Total Purchase of goods for resale and consumables	1,517,285	1,436,092

Regarding the trend in the cost of purchasing goods intended for marketing, please refer to the Directors' Report and the related comment on the first margin. In absolute terms, the increase is directly linked to the increase in sales volumes compared to the previous year.

It should also be noted that the item "Purchase of goods" is shown net of both the bonuses recognized by suppliers upon reaching certain turnover targets and purchase volumes for the amount of 9,282 thousand euros (9,267 thousand euros at 31 December 2022) and the contributions received from suppliers for the promotional and marketing activities carried out by the Group for them for the amount of 46,077 thousand euros (42,632 thousand euros at 31 December 2022).
At the balance sheet level, these amounts are shown as a decrease in the Current Commercial Liabilities item.

31. Personnel costs

The item includes all expenses for employee personnel, including accrued holidays and additional monthly payments as well as related social security charges, in addition to the provision for severance pay and other contractually envisaged costs.

(€thousand)	31.12.2023	31.12.2022
Salaries and wages	28,393	27,709
Social security contributions	8,368	8,172
Staff Severance Provision	2,113	1,988
Other Costs	62	24
Total Personnel Costs	38,936	37,893

The item includes all expenses for employee personnel, including accrued holidays and additional monthly payments as well as related social security charges, in addition to the provision for severance pay and other contractually envisaged costs. Personnel costs recorded an increase of 1,043 thousand euros compared to the same period of the previous year due to the increase in the number of employees following the strengthening of some functions.

Below is the detail of the Group's workforce and the breakdown of employees by category:

	Workers	Employees	Managers	Total
Employees as of 31.12.22	176	619	8	803
Net increases and decreases	*(39)*	*63*	*1*	*25*
Employees as of 31.12.23	137	682	9	828
Average number of employees as of 31.12.23	115.1	670.4	8.5	833.9

32. Amortizations, depreciation and provisions

(€thousand)	31.12.2023	31.12.2022
Depreciation of tangible assets	7,355	7,200
Amortization of intangible assets	687	579
Depreciation of right of use assets	10,542	10,174
Adjustment IAS to provision for supplementary clientele severance indemnity	423	258
Allocation of provision for risks and losses	450	200
Total Amortizations, depreciations and provisions	19,457	18,411

As regards depreciation, please refer to the movements shown in paragraphs 1, 2 and 4 relating to fixed assets.

The item Provision for risk provisions refers to the portion set aside during the year to increase the provision for specific risks, against probable liabilities connected to some ongoing legal disputes.

33. Losses due to impairment of financial assets measured at amortized cost

(€thousand)	31.12.2023	31.12.2022
Allocation of taxed provision for bad debts	14,400	13,115
Allocation of non-taxed provision for bad debts	2,050	2,035
Total Losses due to impairment of financial assets	16,450	15,150

The increase in the item is related to a greater prudential provision made at 31 December 2023 against the increase in trade receivables resulting from the increase in sales volumes for the year.

With regards to the movement of funds, please refer to the movement shown in paragraphs 13 "Current trade receivables" and to what is explained regarding credits in the paragraph "Credit risk".

34. Other operating costs

Below are the details that make up the "Other operating costs" items.

(€thousand)	31.12.2023	31.12.2022
Operating costs for services	243,402	239,426
Operating costs for leases and rentals	2,964	2,871
Operating costs for other operating charges	1,620	1,892
Total Other operating costs	247,986	244,189

The table below details the main types of costs included in the grouping of "Operating costs for services":

(€thousand)	31.12.2023	31.12.2022
Sale expenses, distribution and logistic costs for our products	206,295	194,918
Energy consumption and utilities	15,378	25,873
Third-party production	3,115	3,452
Maintenance costs	5,833	5,575
Advertising, promotion, exhibitions, sales (sundry items)	590	799
Directors' fees	674	761
Statutory auditors' fees	87	75
Insurance costs	1,298	1,040
Reimbursement of expenses, travels and sundry costs for personnel	528	395
General and other services	9,604	6,538
Total Operating costs for services	243,402	239,426

The “Our sales, movement and distribution costs. products” went from 194,918 thousand euros on 31 December 2022 to 206,295 thousand euros on 31 December 2023. The increase is related to the increase in sales volumes for the year compared to the previous one. In terms of logistics costs, in particular transport and internal handling, the increase in tariffs compared to pre-pandemic ones was mitigated by efficiency policies.

The “Energy and utilities consumption” recorded a significant decrease due to the reduction in electricity and gas tariffs, going from 25,873 thousand euros at 31 December 2022 to 15,378 thousand euros at 31 December 2023, with an overall reduction in terms absolute amounts of 10,495 thousand euros.
For MARR, electricity consumption is mainly associated with the operation of refrigeration and cooling systems and the Company, which qualifies as a "Non-energy-intensive company" and "Non-gas-intensive company", benefited in relation to the second, third and fourth quarters 2022 and in relation to the first half of 2023 of the tax credits provided for by the national legislator to mitigate the increase in expenses incurred for the purchase of electricity and gas.

"Maintenance expenses" amount to 5,833 thousand euros (5,575 thousand euros at 31 December 2022) and relate to ordinary maintenance interventions carried out on the various branches.

(€thousand)	31.12.2023	31.12.2022
Lease of industrial buildings	165	143
Lease of processors and other personal property	79	82
Lease of industrial vehicles	0	5
Lease of going concern	2,500	2,500
Lease of cars	14	11
Lease of plant, machinery and equipment	0	10
Rentals and other charges paid on other personal property	206	120
Total Operating costs for leases and rentals	2,964	2,871

Operating costs for the use of third-party assets amount to a total of 2,964 thousand euros (2,871 thousand euros at 31 December 2022) and 2,500 thousand refer to the company rent paid to the subsidiary Asca S.p.A. and the remaining part refers to the cost relating to lease contracts with a duration of less than one year not falling within the scope of application of IFRS16.
Finally, with regards to building rental fees, please refer to what is stated in the paragraph "Organisation and logistics" of the Directors' Report on the performance of operations, with the clarification that the relevant existing contracts are subject to Law 392/78 Chapter II (Rental contracts for uses other than residential use).

(€thousand)	31.12.2023	31.12.2022
Other indirect taxes, duties and similar charges	729	736
Expenses for collection of debts	222	222
Other sundry charges	270	338
Capital losses on disposal of assets	4	215
IMU	312	308
Contributions and membership fees	83	73
Total Operating costs for other operating charges	1,620	1,892

Other indirect taxes, duties and similar charges mainly include: stamp duty and registration duties, municipal duties and taxes and car and vehicle ownership tax.

35. Financial income and charges

(€thousand)	31.12.2023	31.12.2022
Financial charges	20,244	8,949
Financial income	(2,825)	(1,031)
Foreign exchange (gains)/losses	474	166
Total Financial income and charges	17,893	8,084

The financial management of the year is affected by the continuing increase in the cost of money which determines an increase in financial charges.
The net effect of the exchange balances mainly reflects the performance of the Euro compared to the US Dollar, the reference currency for non-EU imports.

The tables below highlight the composition of financial charges and income.

(€thousand)	31.12.2023	31.12.2022
Interest payable on other loans, bills discount, hot money, import	11,700	3,681
Interest payable on discounted bills, advances, export	546	226
Interest payable - Right of use	2,101	2,092
Other financial interest and charges	5,280	2,745
Interest and Other financial charges for Parent Companies	35	16
Interest and Other financial charges for Subsidiaries	582	189
Total Financial charges	20,244	8,949

The increase is related to the increase in the cost of money.

(€thousand)	31.12.2023	31.12.2022
Other sundry financial income (interest from customers, etc)	1,039	813
Income interest from bank accounts	782	45
Other sundry financial income for Parent Companies	100	19
Other sundry financial income for Subsidiaries	904	154
Total Financial income	2,825	1,031

Other financial income is related to interest received from customers and suppliers for payment deferrals.

36. Income/(loss) from holdings

This item can be detailed as follows:

(€thousand)	31.12.2023	31.12.2022
Dividends by Subsidiaries	3,633	3,129
Write off investments in subsidiaries	(1)	(4)
Total Income (charge) from associated companies	3,632	3,125

The amount of 3,633 thousand euros refers to the dividends distributed during the financial year by the subsidiaries New Catering S.r.l., Antonio Verrini S.r.l. Asca S.p.A and Frigor Carni S.r.l., in relation to the 2022 profit.

37. Taxes

(€thousand)	31.12.2023	31.12.2022
Ires charge transferred to the Parent Company	13,870	6,189
Irap	3,868	2,286
Net Provision for deferred tax asset and liabilities	(410)	673
Previous years tax	(18)	(40)
Total taxes	17,310	9,108

The reconciliation between the theoretical tax burden and the actual tax burden is shown below.

(€thousand)			31.12.2023
Result before taxation			62,222
Theoretical tax rate			24.0%
Theoretical tax burden			**14,933**
Items in reconciliation	Taxable amounts		
IRAP			3,868
Car expenses deductible	383	24%	92
Various expenses and fines	358	24%	86
Non deductible taxes	35	24%	8
Fiscal benefits on super-depreciation	(312)	24%	(75)
10% deduction IRAP on IRES	(172)	24%	(41)
ACE	(1,586)	24%	(381)
Distributed dividends	(3,450)	24%	(828)
Revenues for accrued tax credits	(1,492)	24%	(358)
Other	21	24%	5
Total current and deferred taxes			**17,310**
Effective tax rate			**27.8%**

38. Earnings per share

The calculation of basic and diluted earnings/(loss) per share looks like this:

(€)	2023	2022
EPS base	0.68	0.38
EPS diluted	0.68	0.38

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

Result of the business year:

(€thousand)	31.12.2023	31.12.2022
Profit for the period	44,912	25,401
Profit used to determine basic and diluted earnings per share	**44,912**	**25,401**

Number of shares:

(number of shares)	31.12.2023	31.12.2022
Weighted average number of ordinary shares used to determine basic earning per share	65,894,955	66,388,000
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	65,894,955	66,388,000

39. Other profits/losses

The value of the other profits/losses contained in the comprehensive income statement is made up of the effects generated and reversed in the period with reference to the following items:
- effective part of the hedging operations implemented against the risk of changes in the interest rate on medium-long term financing contracts, for 962 thousand euros;
- actuarial profits relating to the evaluation of severance pay as established by the amendments made to IAS 19 "Employee benefits" for the amount of 49 thousand euros.

These profits/losses were accounted for, in accordance with the provisions of the IFRS, in equity net of the tax effect and highlighted (as required by IAS 1 revised, applicable from 1 January 2009) in the statement of the overall consolidated economic result.

Compensation for Directors, Statutory Auditors, Managers with Strategic Responsibilities and Independent Auditors

The total compensation, including any benefits in kind, recognized in the 2023 financial year to the Directors, members of the Board of Statutory Auditors and Managers with Strategic Responsibilities are reported in the Remuneration Report which will be published pursuant to art. 123-ter of the T.U.F. and which will be available on the Company website.
No compensation was provided under the incentive or profit-sharing plans through share-based payments.
Pursuant to art. 149-duodecies of the Consob Issuers' Regulations are shown below the fees for the 2023 financial year, including Consob expenses and contributions, for the services rendered to Group companies by the Auditing Firm or by entities belonging to the Auditing Firm's network .

(€thousands)	Service Company	Client	Fees pertinent to business year 2023
Auditing	PricewaterhouseCoopers S.p.A.	MARR S.p.A.	198
Certification service			0
Other services			0
Total			198

Net financial position [XX]

As regards the comment on the components of the net financial position and the indication of the debt and credit positions towards related parties, please refer to what is stated in the directors' report on the performance of operations.

	(€thousand)	Note	31.12.2023	31.12.2022
A.	Cash		16,692	14,696
	Bank accounts		196,187	167,870
B.	Cash equivalent		196,187	167,870
C.	**Liquidity (A) + (B)**	15	**212,879**	**182,566**
	Current financial receivable due to Subsidiaries		10,138	10,907
	Current financial receivable due to Parent Company		9,818	9,404
D.	**Current financial receivable**	12	**19,956**	**20,311**
E.	Current derivative/financial instruments	8	2	7
F.	Current Bank debt		(44,698)	(15,882)
G.	Current portion of non current debt		(70,082)	(99,838)
	Financial debt due to Subsidiaries		(14,724)	(15,363)
	Other financial debt		(2,879)	(4,525)
H.	Other current financial debt		(17,603)	(19,888)
I.	Current lease liabilities (IFRS16)	25	(10,432)	(9,589)
J.	**Current financial debt (F) + (G) + (H) + (I)**	24/25/26	**(142,815)**	**(145,197)**
K.	**Net current financial indebtedness (C) + (D) + (E) + (J)**		**90,022**	**57,687**
L.	Non current bank loans	18/20	(157,533)	(119,768)
M.	Non-current derivative/financial instruments	8	126	1,015
N.	Other non current loans	18/20	(99,971)	(100,374)
O.	Non-current lease liabilities (IFRS16)	19	(62,594)	(61,795)
P.	**Non current financial indebtedness (L) + (M) + (N) + (O)**	18/19/20	**(319,972)**	**(280,922)**
Q.	**Net financial indebtedness (K) + (P)**		**(229,950)**	**(223,235)**

[XX] The "Note" column indicates the reference to the item of MARR statement of financial position for the purpose of a punctual reconciliation with the same.

Events after the closing of the year

No events occurred subsequent to the end of the financial year of significant importance and with effects on the measurement of the balance sheet items at 31 December 2023.

It should be noted that on 31 January 2024 the dissolution and liquidation operation of the company MARR Foodservice Iberica S.A. was completed. with the registration of the deed of dissolution in the Registro Mercantil of Madrid and consequent cancellation of the company.

Furthermore, on 23 February 2024 the Board of Directors of MARR S.p.A. has approved, pursuant to art. 2505 second paragraph of the civil code, the merger by incorporation into the parent company MARR S.p.A. of the wholly owned company AS.CA. S.p.A..

Outlook

Sales to Street Market and National Account clients in the first two months of 2024 are consistent with the growth and margins objectives forecast for the year.

These results have been achieved in a context of out-of-home food consumption in Italy that is expected to increase throughout 2024 (TradeLab, February 2024), also thanks to the positive performance of the tourism sector.

The MARR Group, the sales organization of which has recently met at its Convention, continues to strengthen its own competitive position, through a value proposal to satisfy the requirements of its Customers and increase loyalty.
MARR's development path, pursued in terms of sustainability, is based on closeness to customers, through the presence of the Sales Force and proximity logistics, for which the Group has defined an investment plan aimed at enhancing and modernising its operational capacity.
The first step in this plan will be the opening of the MARR Lombardy distribution centre, expected in the second quarter of 2024.

The focus of the entire organization on the recovery of operating profitability, through:
i) the management of the Gross Margin and the control of operating costs, and
ii) on the control of the levels of absorption of working capital are also confirmed.

Proposal for the allocation of the result for the year 2023 and distribution of the dividend

In submitting the financial statements for 2023 to the assembly for approval, the Board of Directors proposes to:

a) allocate the profit for the year of Euro 44,912,144 as follows:

- dividend of 0.60 euros for each entitled ordinary share,

- allocation to the Extraordinary Reserve of the residual amount, the amount of which will be determined based on the treasury shares in portfolio on the date of distribution of the coupon.

b) pay the dividend on 22 May 2024 with ex-dividend date (no. 19) on 20 May 2024 (record date 21 May 2024), as regulated by the Italian Stock Exchange.

° ° °

Rimini, 13 March 2024

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 an integral part.

- Appendix 1 – List of the main equity investments in subsidiary, associate and other companies as at 31 December 2023, indicating the criterion adopted for accounting.
- Appendix 2 – Table showing variations in Intangible Assets for the year ending 31 December 2023.
- Appendix 3 – Table showing variations in Tangible Assets for the year ending 31 December 2023.
- Appendix 4 – Table showing changes in the Right of use for the year ending 31 December 2023.
- Appendix 5 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2022. - company that directly or mediate the activity of management and coordination.
- Appendix 6 – List of equity investments in subsidiary and associate companies as at 31 December 2023 (art. 2427, sub. 5 of the Civil Code).
- Appendix 7 – Table summarising the relations with parent companies, subsidiaries, associates and other related parties.
- Appendix 8 – Reconciliation of liabilities deriving from financing activities as at 31 December 2023 and at 31 December 2022.
- Appendix 9 – Details of lands and buildings owned by the company as at 31 December 2023.

Appendix 1 – List of the main equity investments in subsidiary, associate and other companies as at 31 December 2023, indicating the criterion adopted for accounting

Company	Headquarters	Share capital (€thousand)	Direct control Marr SpA	Indirect control	
				Company	Share held
COMPANY CONSOLIDATED ON A LINE-BY-LINE BASIS					
- Parent Company:					
MARR S.p.A.	Rimini	33,263			
- Subsidiaries:					
AS.CA. S.p.A.	Santarcangelo di R. (RN)	518	100.0%		
Marr Foodservice Iberica S.A.u	Madrid (Spagna)	600	100.0%		
New Catering S.r.l.	Santarcangelo di R. (RN)	34	100.0%		
Antonio Verrini S.r.l.	Santarcangelo di R. (RN)	250	100.0%		
Frigor Carni S.r.l.	Santarcangelo di R. (RN)	100	100.0%		
INVESTMENTS EVALUATED USING THE NET EQUITY METHOD					
Jolanda De Colò S.p.A.	Palmanova (UD)	846	34.0%		
INVESTMENTS VALUED AT FAIR VALUE:					
- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	9,697	1.69%		

Appendix 2 – Table showing variations in Intangible Assets for the year ending 31 December 2023

Intangible fixed assets (in thousand of Euros)	Opening Balance			Changes during the year						Closing Balance		
	Original Cost	Provision for amortization	Balance 01/01/2023	Purchases/ reclassification	Other changes	Decreases		Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2023
						Original cost	Prov. for am.					
Cost of industrial patents and rights for the use of intellectual property	7,194	(5,629)	1,565	602	473				(663)	8,269	(6,292)	1,977
Concessions, licences, brand names, and similar rights	611	(201)	410						(23)	611	(224)	387
Goodwill	138,544		138,544							138,544		138,544
Intangible fixed assets under development and advances	1,297		1,297	71	(473)					895		895
Other intangible fixed assets	68	(68)				590	(590)			658	(658)	
Total	147,714	(5,898)	141,816	673		590	(590)		(686)	148,977	(7,174)	141,803

Appendix 3 – Table showing variations in Tangible Assets for the year ending 31 December 2023

Tangible fixed assets (in thousand of Euros)	Opening balance			Changes during the year					Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2023	Purchases	Other changes	Decreases		Amortization	Original Cost	Provision for amortization	Balance 31/12/2023
						Original cost	Prov. for am.				
Land and buildings	86,547	(33,397)	53,150	1,956	900			(2,755)	89,403	(36,152)	53,251
Improvements on leased facities	3,618	(1,062)	2,556	435				(449)	4,053	(1,511)	2,542
Plant and machinery	47,602	(38,700)	8,902	3,140	90	(4)	4	(2,374)	50,828	(41,070)	9,758
Industrial and commercial equipment	6,135	(3,978)	2,157	369				(349)	6,504	(4,327)	2,177
Other tangible assets	18,634	(14,453)	4,181	2,023	290	(779)	725	(1,434)	20,168	(15,162)	5,006
Tangible fixed assets under development and advances	7,677		7,677	17,565	(1,280)				23,962		23,962
Total	170,213	(91,590)	78,623	25,488		(783)	729	(7,361)	194,918	(98,222)	96,696

Appendix 4 – Table showing changes in the Right of use for the year ending 31 December 2023

Tangible fixed assets (in thousand of Euros)	Opening balance			Changes during the year				Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2023	Purchases/ reclassification	Decreases		Amortization	Original Cost	Provision for amortization	Balance 31/12/2023
					Original cost	Prov. for am.				
Right of use - Land and buildings	99,743	(32,400)	67,343	11,612			(10,395)	111,355	(42,795)	68,560
Right of use - Other assets	651	(314)	337	127			(147)	778	(461)	317
Total	100,394	(32,714)	67,680	11,739			(10,542)	112,133	(43,256)	68,877

Appendix 5 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2022. - company that directly or mediate the activity of management and coordination

The essential data of the parent company Cremonini S.p.A. shown in the summary statement required by article 2497-bis of the Civil Code have been extracted from the relevant financial statements for the financial year ended 31 December 2022. For an adequate and complete understanding of the equity and financial situation of Cremonini S.p.A. as of 31 December 2022, as well as the economic result achieved by the company in the financial year ended on that date, please refer to the financial statements which, accompanied by the audit firm's report, are available in the forms and methods required by law.

Main figures' Statement of the last Cremonini S.p.A. financial statements and consolidated financial statements - MARR S.p.A. parent company -

Financial Statements as of December 31, 2022

Cremonini S.p.A.		in thousands of Euros		Consolidated
		BALANCE SHEET		
		ASSETS		
80,229		Tangible assets		1,321,476
0		Right of use assets		338,015
6		Goodwill and other intangible assets		246,195
293,341		Investments		34,058
217		Non-current assets		90,655
373,793		*Total non-current assets*		*2,030,399*
0		Inventories		647,312
45,170		Receivables and other current assets		775,745
10,696		Cash and cash equivalents		287,265
55,866		*Total current assets*		*1,710,322*
429,659		**Total assets**		**3,740,721**
		LIABILITIES		
332,642		Shareholders' equity:		*924,533*
	67,074	Share capital	67,074	
	254,599	Reserves	539,416	
	10,969	Net profit (loss)	75,420	
	0	Minority interest	242,623	
28,706		Non-current financial payables		1,272,637
294		Employee benefits		21,177
101		Provisions for risks and charges		18,973
3,943		Other non-current liabilities		47,519
33,044		*Total non-current liabilities*		*1,360,306*
50,900		Current financial payables		440,734
13,073		Current liabilities		1,015,148
63,973		*Total current liabilities*		*1,455,882*
429,659		**Total Liabilities**		**3,740,721**
		INCOME STATEMENT		
8,097		Revenues		5,040,503
808		Other revenues		49,853
0		Changes in inventories		26,364
0		Internal works performed		7,395
(97)		Purchase of goods		(3,488,058)
(5,287)		Other operating costs		(745,168)
(4,444)		Personnel costs		(499,560)
(3,146)		Amortization		(172,421)
(750)		Depreciation and Allocations		(31,955)
15,881		Income from investments		(486)
(960)		Financial income and charges		(49,894)
0		Profit from business aggregations		0
10,102		*Profit before taxes*		*136,573*
867		Taxes		(41,438)
10,969		Net profit (loss) before consolidation		95,135
0		Minority interest's profit (loss)		(19,715)
10,969		**Consolidated Net profit (loss)**		**75,420**

Appendix 6 – List of equity investments in subsidiary and associate companies as at 31 December 2023 (art. 2427, sub. 5 of the Civil Code)

List of stockholdings in subsidiaries and associated companies as at December 31, 2023 (art. 2427 n.5 c.c.)
(€/thousands)

Company	Corporate Domicile	Capital Stock	Shareholder's equity		Net Profit (loss)		Percentage Held	Carrying Value (B)	Difference (B) - (A)	Last Financial Statements approved/ preliminary financial statements approved	Shareholders' equity pro-rata amount in accordance with art. 2426 n. 3 cc (C)	Difference (B) - (C)
			Total Amount	Pro-rata Amount (A)	Total Amount	Pro-rata Amount						
- In subsidiares:												
Marr Foodservice Iberica S.A.U.	Madrid (Spagna)	600	402	402	(1)	(1)	100.00%	402	0	31/12/2023	402	0
AS.CA. S.p.A.	Santarcangelo di R.(RN)	518	10,550	10,550	2,292	2,292	100.00%	13,691	3,141 *	31/12/2023	20,683	(6,992)
New Catering S.r.l.	Santarcangelo di R.(RN)	34	11,981	11,981	2,388	2,388	100.00%	7,439	(4,542)	31/12/2023	16,533	(9,094)
Antonio Verrini S.r.l.	Santarcangelo di R.(RN)	250	5,917	5,917	127	127	100.00%	7,730	1,813 *	31/12/2023	8,704	(974)
Frigor Carni S.r.l.	Santarcangelo di R.(RN)	100	4,625	4,625	548	548	100.00%	6,247	1,622 *	31/12/2023	7,216	(969)
Jolanda De Colò S.p.A.	Palmanova (UD)	846	2,005	682	441	150	34.00%	1,828	1,146 *	31/12/2023	682	1,146

* See comment in the note to the financial statements

Appendix 7 – Table summarising the relations with parent companies, subsidiaries, associates and other related parties

COMPANY	FINANCIAL RELATIONS						ECONOMIC RELATIONS									
	RECEIVABLES			PAYABLES			REVENUES				COSTS					
	Trade	Other*	Financial	Trade	Other*	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods (by production)	Purchase of goods (by logistic)	Services	Leases and rental	Other operating charges	Financial charges
Towards the Parent Company:																
Cremonini S.p.A. (*)	26	11	9,818	325	7,693		2			100			1,499			35
Total	**26**	**11**	**9,818**	**325**	**7,693**	**0**	**2**	**0**	**0**	**100**	**0**	**0**	**1,499**	**0**	**0**	**35**
Towards Associated Companies:																
Jolanda De Colò				32			8				29					
Total	**0**	**0**	**0**	**32**	**0**	**0**	**8**	**0**	**0**	**0**	**29**	**0**	**0**	**0**	**0**	**0**
Towards affiliated(**)																
Consolidated Companies Cremonini Group																
C&P S.r.l.	596						1,657									
Castelfrigo S.r.l.				20							104					
Chef Express S.p.A.	8,656				28		44,993	47					1			
Fiorani & C. S.p.a.		4		2,897	1		24		1		33,012	6,396				
Ges.Car. S.r.l.																
Staff Service S.r.l.		1		466									1,299			
Guardamiglio S.r.l.	6						34									
Il Castello di Castelvetro S.r.l.	11						60									
Inalca Food and Beverage S.r.l.	756			20	1		8,473	165	6		12				10	
Inalca S.p.a.	1	59		10,667			94		10		101,855	49,273	145			
Italia Alimentari S.p.a.		65		640			8				12,235					
Palermo Airport F&B s.c.a.r.l.	151						229									
Poke MXP S.r.l.	3						2									
Roadhouse Grill Roma S.r.l.	758						3,916		7							
Roadhouse S.p.A.	9,955				6		47,489		4				1			
From not Affiliated Companies																
Le Cupole S.r.l.		3				2,374										78
Time Vending S.r.l.				(22)							(22)					
Total	**20,893**	**132**	**0**	**14,688**	**36**	**2,374**	**106,979**	**212**	**28**	**0**	**147,196**	**55,669**	**1,446**	**0**	**10**	**78**

(*) The items in the Other Receivables columns relate to the residual IRES receivables for requests of reimbursement regarding to the personel cost not deducted to Irap in the years 2007-2011, transferred to the Parent Company within the scope of of the National Consolidated tax base; the amount in the the other payables is related to the IRES balance of the year 2020.
(**) The total amount of trade receivables and payables are reclassified under "Receivables from customer" and "Suppliers" respectively.

COMPANY	Receivables Trade	Receivables Other*	Receivables Financial	Payables Trade	Payables Other*	Payables Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods (by production)	Purchase of goods (by logistic)	Services	Leases and rental	Other operating charges	Financial charges
No consolidated Companies Cremonini Group																
Antonio Verrini S.r.l.	186		3,832	137			1,832	120	5	287	3,596		35		25	
Asca S.p.a.	8			88		9,624		20						2,500		334
Cremonagel S.r.l.	10							10								
Frigor Carni S.r.l.	232		6,306				2,416	38	2	223	212					
Marr Foodservice Iberica S.a.U.						402										9
New Catering S.r.l.	254			65		4,698	521	264	7		8		77			239
Total	**690**	**0**	**10,138**	**290**	**0**	**14,724**	**4,769**	**452**	**14**	**510**	**3,816**	**0**	**112**	**2,500**	**25**	**582**
From Other Related Parties																
Board of Directors of the Company MARR S.p.A.					218		1						673			
Total	**0**	**0**	**0**	**0**	**218**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**673**	**0**	**0**	**0**

Regarding the compensation paid in the 2023 financial year to Managers with strategic responsibilities, please refer to the Remuneration Report which will be published pursuant to art. 123-ter of the T.U.F. and which will be available on the Company website.

Appendix 8 – Reconciliation of liabilities deriving from financing activities as at 31 December 2023 and at 31 December 2022

	31 December 2023	Cash flows	Non-financial changes: Other changes/ reclassifications	Non-financial changes: Acquisition and margers	Non-financial changes: Exchange rates variations	Non-financial changes: Fair value variation	31 December 2022
Current payables to bank	44,698	28,816	0	0	0	0	15,882
Current portion of non current debt	70,082	(77,160)	47,404	0	0	0	99,838
Current financial payables vs subsidiaries	14,724	(639)	0	0	0	0	15,363
Current financial payables for bond private placement in Euros	679	(696)	697	0	0	1	677
Current financial payables for IFRS 16 lease contracts	10,432	(10,097)	10,940	0	0	0	9,589
Current financial payables for purchase of shares of Frigor Carni S.r.l.	2,200	0	500	0	0	0	1,700
Current financial payables for purchase of shares of Antonio Verrini S.r.l.	0	(2,000)	0	0	0	0	2,000
Current financial payables for dividends approved and not distributed	0	(25,216)	25,068	0	0	0	148
Total current financial payables	142,815	(86,992)	84,609	0	0	1	145,197
Current payables/(receivables) for hedging financial instruments	0	0	0	0	0	0	0
Total current financial instruments	0	0	0	0	0	0	0
Non-current payables to bank	157,533	85,256	(47,491)	0	0	0	119,768
Non-current financial payables for bond private placement in Euros	99,903	0	0	0	0	29	99,874
Non-current financial payables fot IFRS 16 lease contracts	62,594	0	799	0	0	0	61,795
Non-current financial payables for purchase of quotas or shares	0	0	(500)	0	0	0	500
Total non-current financial payables	320,030	85,256	(47,192)	0	0	29	281,937
Non-current payables/(receivables) for hedging financial instruments	68	0	0	0	0	68	0
Total non-current financial instruments	68	0	0	0	0	68	0
Total liabilities arising from financial activities	462,913	(1,736)	37,417	0	0	98	427,134

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	264
Cash flows for payment of residual debt for the acquisition of share in Antonio Verrini S.r.l.	(2,000)
Other changes/ reclassifications, included the acquisition	37,417
Exchange rates variations	0
Fair value variation	98
Total detailed variations in the table	35,779
Other changes in financial liabilities	25,973
Net change in financial payables (IFRS16)	1,642
New non-current loans received	110,000
Net change in derivative/financial instruments	68
Non current loans repayment	(101,904)
Total changes shown between financing activities in the Cash Flows Statement	35,779

	31 December 2022	Cash flows	Non-financial changes: Other changes/ reclassifications	Non-financial changes: Acquisition and margers	Non-financial changes: Exchange rates variations	Non-financial changes: Fair value variation	31 December 2021
Current payables to bank	15,882	(30,104)	0	0	0	0	45,986
Current portion of non current debt	99,838	(46,163)	93,774	0	0	0	52,227
Current financial payables vs subsidiaries	15,363	1,073	0	0	0	0	14,290
Current financial payables for bond private placement in Euros	677	(696)	697	0	0	1	675
Current financial payables for IFRS 16 lease contracts	9,589	(9,130)	9,800	64	0	0	8,855
Current financial payables for purchase of shares of Frigor Carni S.r.l.	1,700	(4,048)	0	5,748	0	0	0
Current financial payables for purchase of shares of Antonio Verrini S.r.l.	2,000	(1,000)	0	0	0	0	3,000
Current financial payables for dividends approved and not distributed	148	(32,317)	31,267	0	0	0	1,198
Total current financial payables	145,197	(122,385)	135,538	5,812	0	1	126,231
Current payables/(receivables) for hedging financial instruments	0	0	0	0	0	0	0
Total current financial instruments	0	0	0	0	0	0	0
Non-current payables to bank	119,768	94,305	(94,026)	0	0	0	119,489
Non-current financial payables for bond private placement in Euros	99,874	0	0	0	0	32	99,842
Non-current financial payables fot IFRS 16 lease contracts	61,795	0	1,686	7	0	0	60,102
Non-current financial payables for purchase of quotas or shares	500	0	0	500	0	0	0
Total non-current financial payables	281,937	94,305	(92,340)	507	0	32	279,433
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	427,134	(28,080)	43,198	6,319	0	33	405,664

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	(23,032)
Cash flows for payment of residual debt for the acquisition of share in Antonio Verrini S.r.l.	(1,000)
Other changes/ reclassifications, included the acquisition	43,198
Exchange rates variations	0
Fair value variation	33
Total detailed variations in the table	19,199
Other changes in financial liabilities	(31,370)
Net change in financial payables (IFRS16)	2,427
New non-current loans received	102,000
Net change in derivative/financial instruments	0
Non current loans repayment	(53,858)
Total changes shown between financing activities in the Cash Flows Statement	19,199

Appendix 9 – Details of lands and buildings owned by the company as at 31 December 2023

(€ thousand)

	Original Cost	Prov. For Am.	Net Book Value
Building in Spezzano Albanese (CS) - St.Prov.le 19	1,907	1,030	877
Land in Spezzano Albanese close to the building	125	0	125
Building in Pistoia (PT) - St F.Toni loc.Bottegone	5,356	2,686	2,670
Land of Building in Pistoia	1,000	0	1,000
Building in Santarcangelo of Romagna (RN) - St. P.Tosi 1300	16,634	1,313	15,321
Building in Santarcangelo of Romagna (RN)- St. dell'Acero 2-4	5,319	3,146	2,173
Land of Building St. dell'Acero 2-4	2,464	0	2,464
Building in Opera (MI) - St. Cesare Pavese, 10	4,459	2,894	1,565
Land of Building Opera	2,800	0	2,800
Building in San Michele al Tagl.to (VE) - St. Plerote, 6	4,288	2,552	1,736
Land of Building San Michele	1,100	0	1,100
Building in Uta (CA) - Zona ind.le Macchiareddu	4,115	2,293	1,822
Land of Building Uta	1,531	0	1,531
Building in Portoferraio (LI) - Località Antiche Saline	1,512	977	536
Land of Building Portoferraio	990	0	990
Surface ownership Building in Bologna - St. Fantoni, 31	11,857	5,487	6,370
Land in Rimini loc. San Vito - St. Emilia Vecchia, 75	7,078	0	7,078
Land in Bottanuco (BG)	1,796	0	1,796
TOTAL	74,331	22,378	51,945

Certification of the annual financial statements
Pursuant to art. 154-bis of Legislative Decree 58/98

1. The undersigned Francesco Ospitali in the quality of Chief Executive Officer, and Pierpaolo Rossi, in the quality of Manager responsible for the drafting of the corporate accounting documents of MARR S.p.A., hereby certify, also taking into account that provided by art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated 24 February 1998:

   - the adequacy in relation to the characteristics of the company and
   - the effective application,

   of the management and accounting procedures for the drafting of the annual financial statements during the year 2023.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the annual financial statement as at 31 December 2023 was based on a process defined by MARR S.p.A. in coherence with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is an internationally accepted general reference framework.

3. It is also certified that:

   3.1 The annual financial statements:

   a) are drawn up in compliance with the internationally applicable accounting principles recognised in the European Community pursuant to regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;

   b) correspond to the findings in the accounts books and documents;

   c) are suited to providing a truthful and correct representation of the equity, economic and financial situation of the author.

   3.2 The Directors' report on management includes a reliable analysis of performance levels and the management result, and also on the situation of the issuer, together with a description of the main risks and uncertainties it is exposed to.

Rimini, 13 March 2024

Francesco Ospitali	Pierpaolo Rossi
Chief Executive Officer	Manager responsible for the drafting of corporate accounts documents

Independent auditor's report

in accordance with article 14 of Legislative Decree n. 39 of 27 January 2010 and article 10 of Regulation (EU) n. 537/2014

To the Shareholders of
MARR SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MARR SpA (hereinafter also the "Company"), which comprise the statement of financial position as of 31 December 2023, the statement of profit or loss, statement of other comprehensive income, statement of changes in shareholders' equity, cash flows statement for the year then ended, and explanatory notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of MARR SpA as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	***Auditing procedures performed in response to key audit matters***

Recoverability of Goodwill

Section 'Accounting policies', paragraph 'Goodwill and business combinations' e 'Losses in value of non-financial assets' of the explanatory notes to the consolidated financial statements, as referred in section 'Accounting policies" of the explanatory notes to the financial statements, section 'Main estimates adopted by management and discretional assessments' and note 3 'Goodwill' of the explanatory notes to the financial statements.

The value of Goodwill in the financial statements of MARR SpA is equal to Euro 138,544 thousand, accounting for 11.8% of total assets.

In accordance with IAS 36 – "Impairment of assets", management tests the value of goodwill for impairment at least annually, by comparing the carrying amount of each cash generating unit (CGU) to which goodwill is allocated with the respective recoverable amount, represented by the higher of value in use and fair value less costs of disposal. As of 31 December 2023, the recoverable amounts were determined on the basis of value in use, by discounting to present value the estimate cashflows of the period 2024-2026, plus terminal value. The basis of the calculation of cash flows is the 2024-2026 business plan approved by the Company's Board of Directors on 14 December 2023.

We considered the recoverability of goodwill a key audit matter in consideration of the materiality of the amounts and of the elements of uncertainty and estimation intrinsic to the Directors' assessment of their recoverability.

The key elements of uncertainty and estimation are related to the correct definition and identification of the CGUs and to the estimation of the future cashflows and the definition of the discount rates to be applied to those cashflows.

Our audit approach consisted, preliminarily, in understanding and evaluating the method and procedure to determine the recoverable amounts of goodwill approved by the Company's Board of Directors.

We analysed the reasonableness of Company's considerations about the identification of the CGUs and the process of allocation of goodwill, verifying their consistency with the organisation structure of the Company.

We analysed, also with the support of business valuation experts from the PwC network, the methods adopted by the Company to determine the recoverable amounts of the CGU's, we verified the reasonableness of the key assumptions reflected in the valuation models, including the discount rates and long-term growth rates, we verified the mathematical accuracy of the models used and we compared the value in use with the carrying amount of each CGU.

We analysed the forecasts used to assess the recoverability of goodwill, verifying their consistency with 2024-2026 business plan approved by the Board of Directors on 14 December 2023, making a critical assessment of the reasonableness of the estimated cashflows for the same period, also in light of the historical results of the Company.

Finally, our procedures included analysing the notes to the financial statements and the overall adequacy and completeness of the related disclosures.

Recoverability of trade receivables

Section 'Accounting policies', paragraph 'Trade receivables' of the explanatory notes to the consolidated financial statements, as referred in section 'Accounting policies" of the explanatory notes to the financial statements, section 'Main estimates adopted by management and discretional assessments', note 13 'Trade receivables' and note 33 'Losses due to impairment of financial assets measured at amortized cost' of the explanatory notes to the financial statements.

The value of trade receivables in the financial statements of MARR SpA as of 31 December 2023 is equal to Euro 326.559 thousand, accounting for 27.8% of total assets.

We considered the recoverability of trade receivables a key audit matter in consideration of the materiality of the amounts and of the elements of uncertainty and estimation intrinsic to the Directors' assessment of their recoverability, specifically the assumptions applied in the calculation models used to determine the estimated future cash flows from collection of those receivables.

Our audit approach consisted, preliminarily, in understanding and evaluating the methods and procedures defined by the Company to determine the recoverable amounts of trade receivables.

We planned the test of details on the recoverability of trade receivable taking into consideration the understanding of internal controls mentioned above.

We obtained the trade receivable ageing, validated the related data base to identify any significant overdue debtor positions, which have been analysed and discussed with management to obtain evidence supporting the estimates of coverage of insolvency risk.

We also sent confirmation requests to the law firms that manage procedures relating to accounts in litigation, verifying the consistency of the evaluations made by the external professionals with the measurement of the debtor positions in the financial statements.

We carried out a retrospective analysis, comparing the estimates made in previous years with the actual collection figures, to validate management's ability in determining the estimated future cash flows from collection of trade receivables.

Finally, our procedures included analysing the notes to the financial statements and the overall adequacy and completeness of the related disclosures.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n. 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the Directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- We concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- We evaluated the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) n. 537/2014

On 28 April 2016, the shareholders of MARR SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) n. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) n. 2019/815

The Directors of MARR SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) n. 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2023, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of 31 December 2023 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree n. 39/2010 and Article 123-bis, paragraph 4, of Legislative Decree n. 58/1998

The Directors of MARR SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of MARR SpA as of 31 December 2023, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n. 58/1998, with the financial statements of MARR SpA as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of MARR SpA as of 31 December 2023 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree n. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Bologna, 27 March 2024

PricewaterhouseCoopers SpA

Signed by

Giuseppe Ermocida
(Partner)

As disclosed by the Directors in paragraph "Adoption of the ESEF taxonomy (Eurospean Single Electronic Format)", the accompanying financial statements of MARR SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) n. 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

MARR S.p.A.

“Report on the 2023 Financial Statements by the Board of Statutory Auditors to the Shareholders’ Meeting of MARR S.p.A. pursuant to art. 153 of Legislative Decree 58/1998 (CLF) and art. 2429 of the Civil Code”

Dear Shareholders,

This Report focuses on the supervisory activities carried out by the Board of Statutory Auditors of MARR S.p.A. (hereinafter the Company) during the course of the 2023 business year, prepared pursuant to Legislative Decree 58/1998 (“*CLF*”) as subsequently amended, art 2429 of the Civil Code, the Code of Conduct for the Boards of Statutory Auditors of listed companies issued by the National Board of Chartered Accountants and Auditors, consistently with the instructions given in Consob Communication no. DEM/1025564 of 6 April 2001 and subsequent integrations.

1. **Appointment of the Board of Statutory Auditors**

The Board of Statutory Auditors in office was appointed by the Shareholders’ Meeting on 28 April 2023 on the basis of the provision of the laws and the Company by-laws and its term of office will end in the Shareholders’ Meeting for the approval of the financial statements for 2025.

2. **Verification of the independence requirements and self-assessment of the Board of Statutory Auditors**

In 2023 business year, the Board of Statutory Auditors of the Company successfully performed the annual verification of the possession by all of the members of the independence and professionalism requirements provided by article 148, paragraph 3 of Legislative Decree 58/1998 (CLF), and also by recommendation no. 9 in art. 2 of the Code of Corporate Governance for Listed Companies, approved by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., the business associations (ABI, Ania, Assonime and Confindustria) and professional investors (Assogestioni) concerning the independence of the auditors of listed companies, also on the basis of the certifications and information provided by each auditor.

Today, the Board of Statutory Auditors, consistently with Regulation Q.1.1. of the “*Rules of conduct for the Boards of Statutory Auditors of listed companies*” of the National Board of Chartered Accountants and Auditors, performed a self-evaluation of the Board and prepared a specific document which will be sent to the Company. The outcomes of said activities are kept in the records of the Board.

3. Supervisory activities carried out and information received

During the course of the year 2023, the Board of Statutory Auditors carried out the supervisory activities reserved for itself in respect of the article 149 of Legislative Decree 58/1998 (CLF), the "*Code of Conduct for the Boards of Statutory Auditors of Listed Companies*" issued by the National Board of Chartered Accountants and Auditors concerning company audits and the activities of the Board of Statutory Auditors and the instructions given in the Code of Corporate Governance in force since 2021.

As regards the activities carried out in the 2023 business year and early in 2024, the Board of Statutory Auditors:

a) met 13 times in 2023 and 8 times in 2024 until today, with the average duration of the meetings being 90 minutes;

b) participated in:

(i) 9 meetings of the Board of Directors in 2023 and 2 meetings in 2024, of which 2 in 2023 and 1 in 2024 partly in the role of the Remuneration Committee;

(ii) 6 meetings of the Control and Risk Committee in 2023 and 4 in 2024;

c) met 4 times with the referents of the Independent Auditing Firm during the course of 2023 and another 2 times in 2024;

d) supervised over the observance of the law and the company by-laws, and also acquired information on and supervised, for matters of its competence, over the adequacy of the organizational structure of the Company, the respect of the principles of proper administration and adequacy of the instructions given by the Company to its subsidiaries, pursuant to art. 114, paragraph 2 of Legislative Decree 58/1998 (CLF);

e) obtained from the Chief Executive Officer, with the frequency provided by the laws in force and the company by-laws, the information due on the activities of the Company and its subsidiaries, the general management performance and its outlook and also on the deliberated and undertaken operations of most relevance in economic and financial terms, which are described in the Directors' Report, which see for more details, and also summarized in the following paragraph 5;

f) also acquired the information required for the performance of the activities of its competence through the collection of documents, data and information and through periodical meetings scheduled for the reciprocal exchange of relevant data and information with: *(i)* the Company management; *(ii)* the heads of the significant organizational departments of the Company; *(iii)* the Manager responsible for preparing the company's financial reports; *(iv)* the representatives of the independent auditing firm and *(v)* the control bodies of its subsidiaries;

g) in the capacity of "*committee for internal control and auditing*", pursuant to art. 19 of Legislative Decree 39/2010, supervised over: *(i)* the company disclosure process; *(ii)* the effectiveness of the internal control, internal auditing and risk management systems; *(iii)* the legal auditing of the annual and consolidated accounts and *(iv)* the independence of the independent auditing firm;

h) supervised over the adequacy of the Internal Auditing and Risk Management system and the Administration and Accounting System and also the reliability of the latter at correctly representing management events through the competent company departments.

The Board examined the evaluation given by the Board of Directors as regards the adequacy and effectiveness of the Internal Auditing and Risk Management System through:

- the certification of 2023 Financial Statements and 2023 Consolidated Financial Statements by the Chief Executive Officer and the Manager responsible for preparing the company's financial reports, who provided the declarations pursuant to paragraph 5 of art. 154-bis of Legislative Decree 58/1998 (CLF), taking into account that provided by paragraph 3 and 4 of the same article;
- the periodical meetings with the *Internal Audit Manager*, with regard to activities carried out;
- the examination of the corporate documents and results of the work of the independent auditing firm, for which see the relative Reports;
- relations with the control bodies of the subsidiaries, pursuant to art. 151, paragraphs 1 and 2 of Legislative Decree 58/1998 (CLF);
- participation in the works of the Control and Risk Committee and, when the items being discussed required that, holding joint meetings with the same Committee;

i) monitored the concrete methods of implementation of the rules of corporate governance provided by the Code of Corporate Governance, implementing annually the issued recommendations;

l) in relation to the topic of corporate responsibility, monitored the observance of the dispositions in Legislative Decree 254/2016, verifying the existence of adequate procedures for the collection, processing and representation of data concerning sustainability; this information have been showed in the 2023 Sustainability Report - Consolidated Non-Financial Declaration pursuant to Legislative Decree 254/2016, which is published separately from the 2023 Directors' Report and prepared according to the GRI Sustainability Reporting Standards defined in 2016 and subsequent updates;

Lastly, the Board hereby notifies that it has taken into due consideration that stated in the Consob calls to attention of 18 March 2022 and 19 May 2022 on the current and foreseeable direct and indirect effects of the Russia-Ukraine crisis, in compliance with the ESMA Public Statement of 14 March 2022 and 13 May 2022.

4. **<u>Consolidated Financial Statements and 2023 Annual Financial Statements draft</u>**

The Board of Statutory Auditors received, within the terms of the Law, the Management Report drawn up by the Directors, together with the "*consolidated*" Financial Statements of the MARR S.p.A. Group and the annual financial statements draft as at 31 December 2023.

The Financial Statements were drawn up according to the *IFRS* emanated by the *IASB* and adopted by the European Commission according to the procedure in art. 6 of EC Regulation 1606/2002 of the European Parliament and Council of 19 July 2002 and pursuant to art. 9 of the Legislative Decree 38/2005 and subsequent CONSOB amendments, communications and resolutions. The IFRS include the *IAS* and the interpretative documents in force issued by the *IFRS IC*.

The international accounting standards adopted in the preparation of the consolidated financial statements as at 31 December 2023 are indicated in the "Valuation criteria" section.

The valuation criteria used for drafting the consolidated financial statements for the financial statements as at 31 December 2023 do not differ from those used for the consolidated financial statements for the year ended 31 December 2022, with the exception of the new accounting standards, amendments and interpretations applicable from 1 January 2023 as set out below:

- amendments to IFRS 7: the objective of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations deriving from the insurance contracts issued;
- amendments to IAS 12: the International Accounting Standards Board has published the document Deferred Taxes relating to assets and liabilities arising from a single transaction (Amendments to IAS 12) which clarifies how companies account for deferred taxes on transactions such as leasing and decommissioning obligation;
- amendments to IAS 1 and IFRS Practice Statement 2 which aim to make information on accounting principles more precise by replacing the obligation to indicate "relevant accounting principles" with the obligation to indicate "relevant information on accounting principles ".

In compliance with the provisions of the ESEF Regulation, MARR has drawn up the annual financial report as at 31 December 2023 in XHTML format, supplemented by appropriate XBRL markings with reference to the consolidated financial statements.

The compliance of the annual financial report with the ESEF Regulation was verified by the independent auditing firm PricewaterhouseCoopers S.p.A..

The independent auditing firm PricewaterhouseCoopers S.p.A., responsible for the legal auditing of the accounts, released on 27 march 2024 the reports pursuant to articles 14 of Legislative Decree 39/2010 and art. 10 of EU Regulation 537/2014 for the annual financial statements and consolidated financial statements of MARR S.p.A. as at 31 December 2023, expressing an opinion without comments.

In particular, in these reports, the Independent Auditing Firm certifies that:

- the annual and consolidated financial statements provide a truthful and correct representation of the equity and financial situation of MARR S.p.A. and of the MARR Group respectively as at 31 December 2023, the economic and financial result for the business year closed on said date, in compliance with the IFRS endorsed by the European Union and the procedures emanated in implementation of art. 9 of Legislative Decree 28/2005;
- The 2023 annual and consolidated financial statements of MARR S.p.A. have been prepared in the XHTML format, and was marked in all significant respects, in compliance with the dispositions of delegated EU Regulation 2019/815;
- the Management Report and some specific information in the Report on corporate governance and ownership structure indicated in art. 123-bis, paragraph 4 of Legislative Decree 58 of 24 February 1998, for which the Directors of MARR S.p.A. are responsible, are consistent with the Consolidated financial statements of the MARR Group as at 31 December 2023 and are drawn up in compliance with the law.

5. **<u>Operations of most relevance in economic, financial and equity terms – related party transactions</u>**

During the year, the Company made investments of 25 million euros for the construction of the new distribution center in Bottanuco (Bergamo), which is expected to become operational in the second quarter of 2024. This investment is aimed at increasing presence in the area and distribution efficiency in the most important region in terms of non-domestic food consumption in Italy.

During the third quarter of 2023, the expansion of the third floor of the management headquarters in Santarcangelo di Romagna (Rimini) was also completed with a total investment of 2.7 million euros, in whose premises the new company’s Academy was built.

On 29 May 2023, the company Cremonagel S.r.l. was incorporated and stipulated on 30 June 2023, with effect from 1 July 2023, a rental contract for the company Cremonagel s.a.s. owned by Alberto Vailati, based in Piacenza and operating in the wholesale and retail trade of ice cream and frozen foods in the quick service restaurants and bar sector. The company is fully owned by the subsidiary New Catering S.r.l..

On 20 December 2023, the merger plan by incorporation into MARR S.p.A. of the fully owned company AS.CA S.p.A., which has been leasing the company to the parent company MARR S.p.A. since 1 February 2020, was filed to the Companies Register.

The Shareholders' Meeting revoked, for the unexecuted part, the authorization for the purchase, sale and disposal of the Company's own shares granted by resolution of the Meeting dated 28 April 2022 and at the same time approved a new authorization to the purchase, sale and disposal of the Company's own shares according to the terms and conditions set out in the resolution proposal approved by the Board of Directors on 14 March 2023. As of 31 December 2023 MARR purchased 971,760 treasury shares at a average price of 12.28 euros.

6. **Other events of the period even after the end of the business year**

No events of significant importance and with effects on the measurement of the financial statements' items occurred after the end of the business year at 31 December 2023.

It should be noted that on 31 January 2024 the dissolution and liquidation operation of the company MARR Foodservice Iberica S.A. was completed, recording the deed of dissolution in the Registro Mercantil of Madrid and the consequent cancellation of the company.

Furthermore, on 23 February 2024 the Board of Directors of MARR S.p.A. has approved, pursuant to art. 2505 second paragraph of the civil code, the merger by incorporation into the parent company MARR S.p.A. of the fully owned company AS.CA. S.p.A..

7. **Related Party Transactions**

Transactions with related parties are adequately disclosed in the 2023 Annual Financial Report in the specific "Related Party Transactions" section, distinguished by the different types of related parties pursuant to IAS 24, in which the nature of the relationships and the consequent economic and financial effects are accordingly reported.

It is also specified that all commercial transactions and provisions of services with related parties fall within the ordinary exercise of operational activity and are concluded at market or standard conditions, in compliance with the provisions of the Procedure for the management of transactions with related parties.

Regarding the above-mentioned operations, no profiles of conflict of interest have been reported to us nor have emerged, nor the carrying out of operations that are manifestly imprudent or risky or not in compliance with the law and the articles of association or with the shareholders' resolutions and internal procedures, or capable of causing damage to the economic and financial situation of the Company and/or the Group.

The Board of Statutory Auditors continued to monitor the adequacy of the Procedure for regulating transactions with related parties, pursuant to article 2391 bis of the Civil Code and Consob resolution no. 17221 of 12 March 2010, as amended by Directive 2017/828/EU.

During 2023, upon indication of the Board of Directors, the Company undertook an analysis of the management processes of transactions with related parties, entrusting a specific consultancy assignment to the Company PricewaterhouseCoopers Business Services S.r.l..

During the 2023 business year, the Head of the Internal Audit function illustrated quarterly at the Control and Risk Committee meetings, in which the Board constantly participated, analytical reports on the verification of transactions with related parties.

8. **Atypical or unusual operations**

Based on the information available to the Board of Statutory Auditors, no atypical and/or unusual transactions have been carried out with third parties or related parties.

9. **Meeting with the boards of statutory auditors of the subsidiaries article 151, paragraphs 1 and 2 of Legislative Decree no. 24.2.1998. 58**

No significant aspects and/or facts worth mentioning emerged from the discussions held with the Boards of Statutory Auditors of the subsidiary companies. However, the adequacy of the instructions given by the parent company was confirmed.

10. **Observations on the adequacy of the organizational structure**

Based on its expertise, the Board of Statutory Auditors monitored the adequacy of the organizational structure of the Company, finding the conformity of this organization to the management and control needs of company operations, an organization which varies from year to year based on the development of the business aligning with market demands.

The Board of Statutory Auditors acknowledges that the organizational structure has been subject to continuous updates communicated to The Board of Statutory Auditors in accordance with the changes that have occurred in the Company.

In this regard, it should be noted that the Digital Solutions function has been activated, which is responsible for the definition and implementation of digital technological innovation in line with the company strategy.

11. **Observations on the adequacy of the internal control and risk management system**

It is acknowledged that the Board of Statutory Auditors continued to monitor risk management, which from a methodological viewpoint, follows the logic of the ERM (Enterprise Risk Management) model.

During the 2023 business year, the appointment of the Risk Manager was formalized who is entrusted with the responsibility of supporting the Company through the involvement of all the competent corporate functions, in overseeing the management of potential risks, through monitoring exposure to them and the activation of effective mitigation actions.

The Board of Statutory Auditors acknowledges that on 14 June 2023, 4 August 2023 and 14 November 2023, the Board of Directors approved the modifications of the Organizational Model ex Legislative Decree 231/01 in order to include the new crimes provided by the laws in force.

The Board of Statutory Auditors, in its capacity as Supervisory Board, issued the "Information report on the activities carried out by the Supervisory Board, pursuant to Legislative Decree no. 231 of 8 June 2001, as at 31 December 2023" which illustrates in detail the activities for 2023; the Report was presented to the Board of Directors on 23 February 2024.

Following the entry into force of Legislative Decree no. 24/2023 which implemented Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, concerning the protection of people reporting breaches of EU law and containing provisions concerning the protection of persons reporting breaches of national regulatory provisions (so-called Whistleblowing), the Company:

- has implemented an IT platform aimed at receiving and managing reports in compliance with what is required by law (reports and user data remain completely confidential and anonymous thanks to encrypted communications);
- has adopted a specific procedure which provides for the appointment of a team dedicated to the management of reports;
- has published on the company website the procedure for managing reports, taking into account the methods and timescales indicated by law.

In compliance with the provisions of art. 149 of the CLF, the Board of Statutory Auditors acknowledges that the supervisory activities carried out did not highlight any shortcomings or criticalities that may be considered as indicators of inadequacy of the internal auditing and risk management system (see paragraph 3).

12. **<u>Observations on the adequacy of the administration and accounting system and its reliability in terms of properly representing management events</u>**

The Board of Statutory Auditors supervised the compliance with the legislation ruling the articulated administrative and accounting process by virtue of which the Chief Executive Officer and the Manager responsible for preparing the company’s financial reports issued, on 13 March 2024, the certifications concerning the adequacy in relation to the characteristics of the company and the effective application of the administrative and accounting procedures for drafting the consolidated financial statements during the 2023 business year, also taking into account the provisions of article 154-bis, paragraph 3 and 4, of Legislative Decree 24 February 1998, n.58.

The Board of Statutory Auditors has no observations to make on the adequacy of the administrative and accounting system and its reliability in terms of properly representing management events.

13. **Observations on relevant aspects emerging during the course of the meetings held with the independent auditing firm pursuant to art. 150, paragraph 2 of Legislative Decree 58/1998 and art. 19, paragraph 1 of Legislative Decree 39/2010**

During the course of the 2023 business year and also in 2024, the Board of Statutory Auditors periodically exchanged information with the independent auditing firm.

The exchanges of information with the auditors pursuant to article 150 of Legislative Decree 58/98 and art. 19, paragraph 1 of Legislative Decree 39/2010 did not highlight any criticalities.

The independent auditing firm PricewaterhouseCoopers S.p.A. did not make any findings and/or disclosure recalls or related observations or limitations in the Reports issued on 27 March 2024, pursuant to article 14 of Legislative Decree 39/2010 and to article 123-bis, paragraph 4, of Legislative Decree 58/1998, for the annual financial statements and the consolidated financial statements of MARR S.p.A. as at 31 December 2023.

In its additional Report to the Internal Auditing and Independent Auditing Committee, issued pursuant to article 11 of EU Regulation 537/2014 on 27 March 2024, the independent auditing firm PricewaterhouseCoopers S.p.A. stated that, on the basis of the probatory elements acquired, the presupposition of continuity is appropriate for the preparation of the annual and consolidated financial statements as at as at 31 December 2023 and did not identify any significant uncertainty as to the business continuity of the Company and the Group. Specifically, the independent auditing firm assessed the completeness and consistency of the financial information with the assessments made by Management regarding the capacity of the Company and the Group to operate as a functioning entity.

In its Report for the purposes of which in art. 19 of Legislative Decree 39/2010, the independent auditing firm pointed out that no fundamental questions were raised during its audit and no significant shortcomings were found in the internal control system as regards the financial disclosure process.

14. **Conferment of duties to the independent auditing firm**

The Board also supervised over the legal auditing of the annual and consolidated accounts and the independence of the auditing firm, with specific focus on any non-auditing services rendered by the latter.

On page 83 the 2023 Annual Financial Report, the fees paid during the business year closed on 31 December 2023 for the auditing services provided to MARR S.p.A. and the subsidiary As.Ca S.p.A. by the independent auditing firm PricewaterhouseCoopers S.p.A. have been made public.

These taxable fees are given below in Euros:

TYPE OF SERVICE	***SUBJECT PROVIDING THE SERVICE***	***BENEFICIARY***	***FEES***
Auditing of the Accounts	PricewaterhouseCoopers S.p.A..	MARR S.P.A.	198,000
Auditing of the Accounts	PricewaterhouseCoopers S.p.A.	AS.CA S.p.A.	12,000
TOTAL	**Euros**		**210,000**

The Board received on 27 March 2024 from the independent auditing firm PricewaterhouseCoopers S.p.A. the annual confirmation of independence pursuant to article 6, paragraph 2 of European Regulation no. 537/2014, and the requirements of paragraph 17, letter a) of the International Auditing Standard (ISA Italy) 260, on the basis of which from 1 January 2023 to today, the principles regarding ethics of which in articles 9 and 9 bis of Legislative Decree 38/2010 have been respected by them and no situations were encountered that compromised their independence pursuant to articles 10 and 17 of Legislative Decree 39/2010 and articles 4 and 5 of the above European Regulation.

The company PricewaterhouseCoopers Business Services S.r.l., which belongs to the PricewaterhouseCoopers network, provided, during the business year, to the Company, consultancy services for assessment activities relating to Transactions with related parties and support to management in the redesign of the ERP architecture.

The auditing firm PricewaterhouseCoopers S.p.A. confirmed that the services provided do not fall into any of the types of services prohibited by the main regulations regarding the independence of the Auditor, and in particular in the list of prohibited services referred to in Article 5 of European Regulation No. 537/2014, as referred to in article 17 of Legislative Decree no. 39/2010, paragraph 3, and therefore certified the absence of situations threatening the independence of the Auditor, in relation to the provision of the above services.

Taking all of the above into account, the Board of Statutory Auditors believes that no critical aspects emerged regarding the independence of the auditing firm.

15. Opinions given during the course of 2023 business year

During the year, the Board of Statutory Auditors issued its opinion pursuant to Art. 21 paragraph 6 of the Articles of Association regarding the appointment of the Manager responsible for preparing the company's financial reports.

During the business year, the Board of Statutory Auditors also issued the opinion referred to in art. 2389, third paragraph, of the Civil Code, regarding the remuneration due to directors invested with particular roles and therefore with reference to: the President of the Board of Directors, the Chief Executive Officer and the members of the Control and Risk Committee.

Finally, the Board of Statutory Auditors issued a positive opinion regarding the consultancy proposals presented by PricewaterhouseCoopers Business Services S.r.l., a company belonging to the PricewaterhouseCoopers S.p.A. network, for the following activities:

- analysis of the management processes of transactions with related parties;
- support to the Company in identifying opportunities to improve the ERP application architecture.

16. **Indication of adhesion by the company to the Code of Corporate Governance promoted by the Corporate Governance Committees of listed companies**

In observance of the dispositions of article 149, no. 1, sub. c) bis of Legislative Decree 58/98, we acknowledge that the company adheres to and complies with the Code of Corporate Governance, approved by the Corporate Governance Committee promoted by Borsa Italiana S.p.A., the business associations (ABI, Ania, Assonime and Confindustria) and professional investors (Assogestioni), also in respect of the principle of prevalence of substance over form, applying its recommendations according on a "*comply or explain*" basis.

Adhesion to the regulations provided by the aforementioned Code of Corporate Governance is the subject of the "Report on Corporate Governance and the Ownership Structure" prepared by the Board of Directors and approved on 13 March 2024, which also takes into account the recommendations of the Code that the Board of Directors decided not to implement, giving its reasons and describing the alternative conduct implemented.

As provided by the Code of Corporate Governance, during the course of the year, the Board of Directors verified the effective independence of the independent directors and the Board of Statutory Auditors verified the correct application of the criteria and procedures applied. Consistently with the dispositions of recommendation no. 9 in art. 2 of the Code of Corporate Governance, the Board of Statutory Auditors also verified the permanence of its independence. The Board of Statutory Auditors also acknowledged the preparation of the "Report on remuneration policy and payments made pursuant to article 123-ter of the CLF", approved by the Board of Directors on 14 March 2023, and had no observations to make in this regard.

The Board of Statutory Auditors was constantly updated as regards the evolution of the sector of business in which the company operates and the reference regulatory framework both during the periodical meetings of the Board of Directors and in the communications made pursuant to recommendation 12.d) in Art. 3 of the Code of Corporate Governance.

17. **<u>Non-financial declaration (Sustainability Report) ex Legislative Decree 254/2016</u>**

Having acknowledged art. 4 of Legislative Decree 254/2016 concerning the disclosure of non-financial information and the implementation regulation no. 20267 issued by Consob in resolution dated 18 January 2018, pursuant to article 3, paragraph 7 of Legislative Decree 254/2016 and the Consob call to attention no.1/21 of 16 February 2021, the Board of Statutory Auditors monitored the approval of the of the Sustainability Report - Consolidated Non-Financial Declaration 2023, pursuant to Legislative Decree 254/2016 of the MARR Group as at 31 December 2023 by the Board of Directors on 13 March 2024 and supervised the observance of the dispositions established by this decree and recommendations, which the independent auditing firm on 27 March 2024 certified the existence and compliance.

The Board met with the department responsible for its preparation and the representatives of the independent auditing firm and examined the documentation made available.

On 27 March 2024, the independent auditing firm issued a separate report on the Sustainability Report - Consolidated Non-Financial Declaration 2024, certifying that "*no elements have been brought to its attention that may lead it to believe that the NFD of the MARR Group for the business year closed on 31 December 2023 has not been drafted, in all of its significant aspects, in compliance with that required by articles 3 and 4 of Legislative Decree 254/2016 and with regard to the selection of the GRI standards*".

The Company has organized itself in view of the significant impact of the innovations introduced by the external CRSD legislation, and the gap analysis is underway with the support of an external consultancy firm.

18. **<u>Final evaluations of the supervisory activities carried ut and any omissions, censurable conduct or irregularities encountered during the course of same</u>**

On the basis of the supervisory activities carried out by the Board of Statutory Auditors, as described above, no censurable conduct, omissions or irregularities emerged worthy of reporting to the competent supervisory and control bodies or mentioning in this Report and no reports were received ex art. 2408 of the Civil Code or filed.

The Board of Statutory Auditors is not aware of other facts or episodes worthy of mentioning to the Shareholders' Meeting.

19. **<u>Proposals to be made to the shareholders' meeting pursuant to art. 153, paragraph 2 of Legislative Decree 58/1998</u>**

The above holding firm, the Board of Statutory Auditors, on the basis of the annual financial statements closed on 31 December 2023, submitted by the Board of Directors on 13 March 2024, sees no reason to prevent their approval and gives its favourable opinion as regards the proposal for the distribution of dividends as presented by the Board of Directors and invites you to decide on the matter.

Rimini, 28 March 2024

For the Board of Statutory Auditors of MARR S.p.A.

The Chairman

(Signed)

(Mr. Massimo Gatto)