Half-Year Financial Report
as at 30 June 2021

3 August 2021

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

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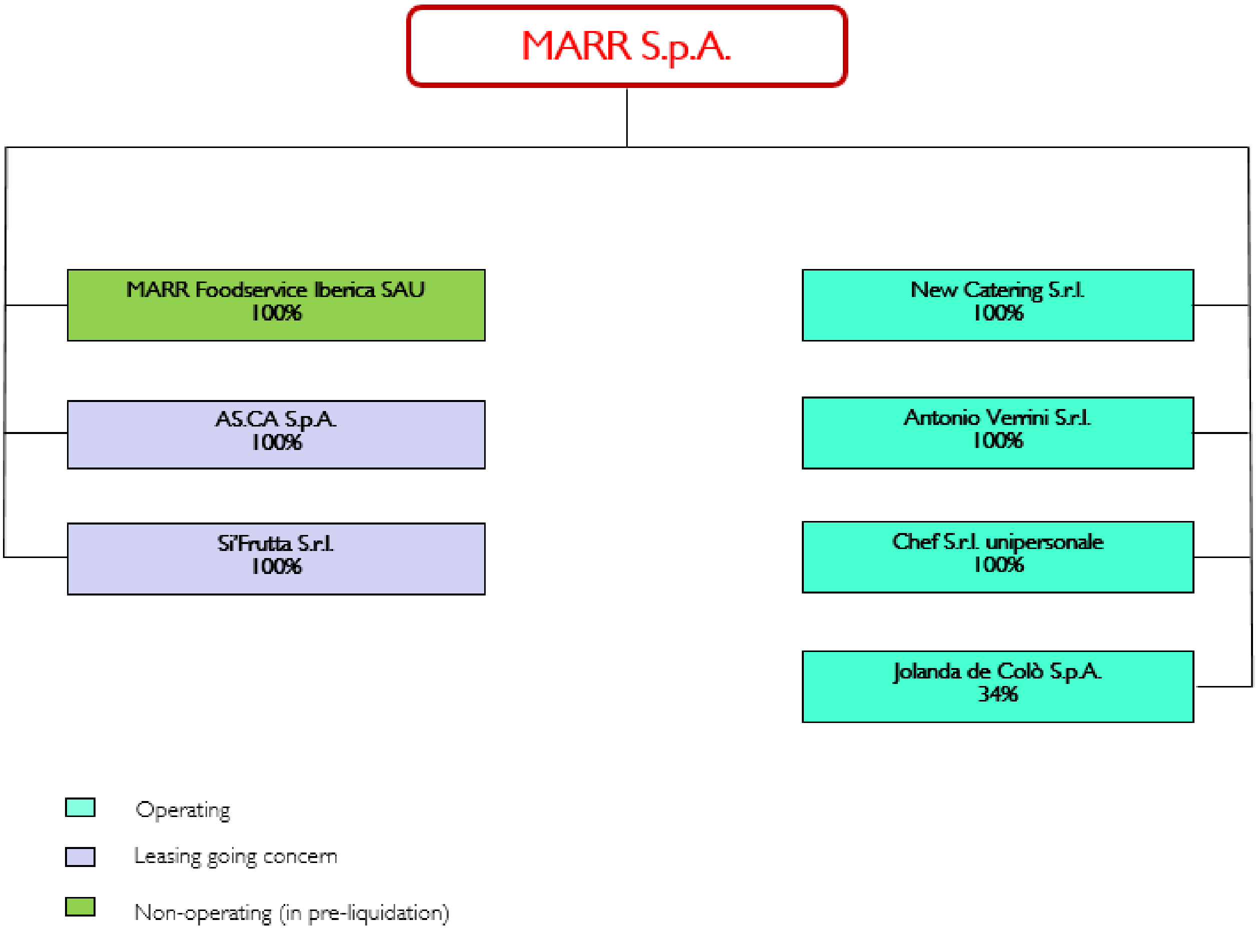
MARR GROUP ORGANISATION

as at 30 June 2021



The structure of the Group at 30 June 2021 differs both from the situation at 31 December 2020 and from that at 30 June 2020 due to the purchase, finalized on 1st April 2021, by MARR S.p.A. of two companies of the Verrini Group operating in fresh fish, both on the foodservice market and on that of distribution to end consumers.

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

With respect to the situation as at 31 December 2020, it should also be noted that, with effect from 1st May 2021, the subsidiary SìFrutta S.r.l. has leased its business unit to the parent company MARR S.p.A..

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

Company	Activity
MARR S.p.A. Via Spagna n. 20 – Rimini	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.
AS.CA S.p.A. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Company which leases going concerns to the Parent Company MARR S.p.A., effective from 1st February 2020.
New Catering S.r.l. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of foodstuff products to bars and fast food outlets.
MARR Foodservice Iberica S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spagna)	Non-operating company (in pre – liquidation).
SìFrutta S.r.l. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Company which leases going concerns to the Parent Company MARR S.p.A., effective from 1st May 2021.
Jolanda de Colò S.p.A. Via 1° Maggio n. 21 – Palmanova (UD)	Production, marketing and distribution of food products in the premium segment (high range).
Antonio Verrini S.r.l. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, frozen and deep-frozen fish products mainly in the Ligurian and Versilia area.
Chef S.r.l. unipersonale Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, frozen and deep-frozen fish products mainly in the Romagna Riviera.

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

CORPORATE BODIES

Board of Directors

Chairman	Ugo Ravanelli
Chief Executive Office	Francesco Ospitali
Directors	Claudia Cremonini
	Paolo Ferrari
Independent Directors	Marinella Monterumisi [1]
	Alessandro Nova
	Rossella Schiavini [1]

[1] Member of Control and Risk Committee

Board of Statutory Auditors

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

Independent Auditors	PricewaterhouseCoopers S.p.A.
Manager responsible for the drafting of corporate accounting documents	Pierpaolo Rossi

DIRECTORS' REPORT

Group performance and analysis of the results for the first half-year of 2021

As provided by the implementing regulation for Legislative Decree 58 dated 24 February 1998, concerning Issuers regulations, MARR has prepared this half-year financial report in accordance with the International Accounting Principle applicable for interim financial reporting, IAS 34 as approved by (EC) Regulation No. 1606/2002 of the European Parliament and Council dated 19 July 2002.

After a start to the year that was marked by a market situation that had significantly affected the first quarter of 2021, also compared to last year, the first signs of a recovery in consumption were beginning to be seen already in April.

This market situation is well represented by the figures recorded by the Confcommercio Studies Office (Survey no. 7 of 15 July 2021), which in the "Hotels, meals and out-of-home food consumption" segment highlighted, as a percentage trend variation by quantity compared to the previous year, a first quarter of -49.8% and a second quarter of +88.5%. The latter value, which still keeps consumption levels significantly below those of 2019 (according to Company elaboration around -42%) is in any case extremely comforting, given that it is an obvious and significant change in trend.
MARR has certainly made the most out of the opportunities arising from this trend.

Never having altered its focus on Clients and the Market, through a clear and schematic approach and the full implementation of the guidelines by the entire organization has enabled MARR to achieve a second quarter with a significant increase in revenues (353.3 million compared to 185.3 million last year), with growth rates that are well in excess of those of the entire Market. It must also be recalled that also during the first quarter, the reduction recorded by the Group had been significantly less than that of the Market itself.

The recent acquisition of the activities of the company Verrini specialised in seafood products, also contributed towards the result for the second quarter (approximately 16.0 million revenues in the quarter), confirming MARR's capacity to quickly and efficiently integrate the assets acquired, which are part of a Market segment (especially the part concerning fresh caught seafood products) which is significantly expanding and capable of ensuring a high level of supplier/customer loyalty. All of this contributes towards enhancing and further increasing the MARR Group's market share.

With total revenues of 542.0 million Euros, the revenues from sales in the first half-year amounted to 534.9 million, compared to 441.1 million in the same period last year.

Consolidated EBITDA for the first half of 2021 amounted to 23.2 million Euros (0.5 million in the same period of 2020), of which 23.1 million in the second quarter, compared to -3.0 million for the same period in 2020 and 39.0 million in 2019.

Consolidated EBIT in the first half of 2021 amounted to 7.1 million (-16.4 million Euros in 2020), of which 14.1 million concerning the second quarter (-12.1 million in the same period of 2020), and includes a prudential allocation to the provision for bad debts amounting to approximately 7.0 million Euros (of which 4.3 million in the second quarter of 2021).

The net result for the first half, after 0.5 million in taxes, amounted to 1.1 million Euros (the pre-tax loss for the same period in 2020 amounted to -19.0 million) and was affected by non-recurring costs of 2.9 million Euros accounted for in the second quarter concerning the early termination for a net counter-value of approximately 25.0 million Euros on 23 July 2021 of the USPP bond loan in US dollars subscribed in July 2013.

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

MARR Consolidated (€thousand)	30.06.21 (6 months)	30.06.20* (6 months)
Revenues from sales and services by customer category		
Street market	311,080	245,637
National Account	105,839	93,948
Wholesale	117,999	101,536
Total revenues form sales in Foodservice	534,918	441,121
(1) Discount and final year bonus to the customers	(5,043)	(6,881)
(2) Other services	128	817
(3) Other	69	165
Revenues from sales and services	530,072	435,222

Note

(1) Discount and final year bonus not attributable to any specific customer category

(2) Revenues for services (mainly transport) not referring to any specific customer category

(3) Other revenues for goods or services/adjustments to revenues not referring to any specific customer category

* It should be noted that the data as at 30 June 2020 have been restated in order to maintain comparability with the 2021 classification following the redefinition of the channels on some customers.

Below are the figures re-classified according to current financial analysis procedures, with the income statement, the statement of financial position and the net financial position for the first half-year of 2021, compared to the same period of the previous year.

Analysis of the re-classified Income Statement

MARR Consolidated (€thousand)	30.06.21 (6 months)	%	30.06.20 (6 months)	%	% Change
Revenues from sales and services	530,072	97.8%	435,222	97.3%	21.8
Other earnings and proceeds	11,906	2.2%	11,884	2.7%	0.2
Total revenues	541,978	100.0%	447,106	100.0%	21.2
Cost of raw materials, consumables and goods for resale	(458,705)	-84.6%	(347,262)	-77.7%	32.1
Change in inventories	30,754	5.7%	(22,339)	-5.0%	(237.7)
Services	(73,452)	-13.6%	(63,096)	-14.1%	16.4
Leases and rentals	(213)	0.0%	(127)	0.0%	67.7
Other operating costs	(889)	-0.2%	(731)	-0.2%	21.6
Value added	39,473	7.3%	13,551	3.0%	191.3
Personnel costs	(16,237)	-3.0%	(13,009)	-2.9%	24.8
Gross Operating result	23,236	4.3%	542	0.1%	4,187.1
Amortization and depreciation	(8,548)	-1.6%	(8,036)	-1.8%	6.4
Provisions and write-downs	(7,593)	-1.4%	(8,889)	-2.0%	(14.6)
Operating result	7,095	1.3%	(16,383)	-3.7%	(143.3)
Financial income	306	0.1%	643	0.1%	(52.4)
Financial charges	(3,253)	-0.7%	(3,118)	-0.7%	4.3
Foreign exchange gains and losses	535	0.1%	(13)	0.0%	(4,215.4)
Value adjustments to financial assets	(154)	0.0%	(163)	0.0%	(5.5)
Result from recurrent activities	4,529	0.8%	(19,034)	-4.3%	(123.8)
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	(2,880)	-0.5%	0	0.0%	(100.0)
Net result before taxes	1,649	0.3%	(19,034)	-4.3%	(108.7)
Income taxes	(518)	-0.1%	5,021	1.2%	(110.3)
Net result attributable to the MARR Group	1,131	0.2%	(14,013)	-3.1%	(108.1)

The total revenues in the first half of 2021 amounted to 542.0 million Euros (447.1 million in 2020); the EBITDA for the first half of 2021 was 23.2 million Euros (0.5 million in 2020), while the EBIT amounted to 7.1 million Euros, compared to -16.4 million in 2020.

The recovery during the first half of 2021 compared to the same period in 2020 was seen in all three channels and was driven by customers in the "Street Market" category (restaurants and hotels not belonging to Groups or Chains), which performed better than both "National Account" customers, which was a category affected by the delays in structured commercial catering, and "Wholesale" customers (wholesalers and retailers). This trend was achieved because of a second quarter marked by significant growth and includes the impact, for about 16.0 million Euros, of the companies Antonio Verrini and Chef, purchased and consolidated as of 1st April 2021.

The "Other earning and proceeds" represents mainly the contributions from suppliers on purchases and also includes the logistical payments charged to suppliers, and is in line with the result for the same period last year.

With regard to the operating costs, there was a general increase in all items as a result of the increase in sales in the half year. There was a reduction in the percentage incidence of the Cost of sales (Cost of purchasing goods plus changes in inventories) on the total revenues, from 82.7% in June 2020 to 78.9% in June 2021, and also of the percentage incidence of the Services on the total revenues, from 14.1% in June 2020 to 13.6% in June 2021. The percentage incidence of the other items in the operating costs has remained essentially unchanged compared to the same period last year.

The cost of employment reflects the increase in sales volume, with a resulting decrease in the use of the social safety nets and also less paid leave being taken. The slight increase in the percentage incidence is affected by the costs relating to the new companies Antonio Verrini S.r.l. and Chef S.r.l., the impact of which is reflected in the income statement from 1st April 2021.

The depreciations as at 30 June 2021, amounting to 8.5 million Euros (8.0 million Euros as at 30 June 2020), have increased mainly because of the depreciation of the "Right of use" for the lease contracts entered into by Antonio Verrini S.r.l. (taken over as of 1st April 2021).
The provisions and write-downs amounted to 7.6 million Euros and include a prudential provision of 7.0 million Euros to the provision for bad debts and the allocation of 0.6 million Euros to the provision from additional customer indemnity and other risks.

The result of the recurrent activities, net of a financial management that is basically unchanged compared to the preceding period, amounted to 4.5 million Euros at the end of the half year, against losses of 19.0 million Euros as at 30 June 2020.

The net result for the first half year, after 0.5 million Euros in taxes, amounted to 1.1 million Euros (the losses before taxation was of 19.0 million Euros in the same period of 2020) and is affected by non-recurrent charges amounting to 2.9 million Euros accounted in the second quarter regarding the advance extinction, for a net countervalue of about 25 million Euros, finalised on 23 July but notified to the counterparties before 30 June 2021, of the USPP bond loan in US dollars subscribed in July 2013.

The net result of the second quarter, which includes the aforementioned non-recurrent charges, amounted to 7.5 million Euros (after 2.5 million Euros in taxes), compared to -10.0 million in the first half of 2020 and 21.1 million in 2019.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	30.06.21	31.12.20	30.06.20
Net intangible assets	163,166	153,488	153,428
Net tangible assets	77,544	75,517	72,569
Right of use assets	59,322	51,849	42,898
Equity investments evaluated using the Net Equity method	1,799	1,828	1,883
Equity investments in other companies	175	300	304
Other fixed assets	27,519	30,264	37,192
Total fixed assets (A)	329,525	313,246	308,274
Net trade receivables from customers	364,244	298,850	333,733
Inventories	166,369	134,581	148,277
Suppliers	(341,698)	(234,579)	(203,984)
Trade net working capital (B)	188,915	198,852	278,026
Other current assets	44,625	45,885	38,872
Other current liabilities	(19,083)	(13,712)	(20,168)
Total current assets/liabilities (C)	25,542	32,173	18,704
Non-current assets held for sale (D)	0	2,400	0
Net working capital (E) = (B+C+D)	214,457	233,425	296,730
Other non current liabilities (F)	(2,047)	(1,868)	(1,460)
Staff Severance Provision (G)	(8,511)	(7,275)	(7,488)
Provisions for risks and charges (H)	(7,669)	(7,100)	(6,580)
Net invested capital (I) = (A+E+F+G+H)	525,755	530,428	589,476
Shareholders' equity attributable to the Group	(339,291)	(338,112)	(326,843)
Consolidated shareholders' equity (J)	(339,291)	(338,112)	(326,843)
(Net short-term financial debt)/Cash	57,828	90,443	(46,281)
(Net medium/long-term financial debt)	(183,049)	(229,297)	(172,163)
Net financial debt - before IFRS16 (K)	(125,221)	(138,854)	(218,444)
Current lease liabilities (IFRS16)	(9,957)	(8,528)	(8,567)
Non-current lease liabilities (IFRS16)	(51,286)	(44,934)	(35,622)
IFRS16 effect on Net financial debt (L)	(61,243)	(53,462)	(44,189)
Net financial debt (M) = (K+L)	(186,464)	(192,316)	(262,633)
Net equity and net financial debt (N) = (J+M)	(525,755)	(530,428)	(589,476)

Analysis of the Net Financial Position

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

	MARR Consolidated (€thousand)	Notes	*30.06.21*	*31.12.20*	*30.06.20*
A.	Cash		4,517	3,633	3,754
	Bank accounts		291,920	247,842	171,154
	Postal accounts		18	16	30
B.	Cash equivalent		291,938	247,858	171,184
C.	Liquidity (A) + (B)	14	296,455	251,491	174,938
	Current financial receivable due to Parent company		4,567	5,794	15,621
	Current financial receivable due to related companies		0	0	0
	Others financial receivable		1,754	626	774
D.	Current financial receivable	10	6,321	6,420	16,395
E.	Current derivative/financial instruments	11	2,730	0	1,322
F.	Current Bank debt	22/24	(60,874)	(66,684)	(47,360)
G.	Current portion of non current debt	22/24	(154,449)	(100,125)	(157,080)
	Financial debt due to Parent Company		0	0	0
	Financial debt due to Related Companies		0	0	0
	Other financial debt	22/24	(32,355)	(659)	(39,246)
H.	Other current financial debt		(32,355)	(659)	(39,246)
I.	Current lease liabilities (IFRS16)	23	(9,957)	(8,528)	(8,568)
J.	Current financial debt (F) + (G) + (H) + (I)		(257,635)	(175,996)	(252,254)
K.	Net current financial indebtedness (C) + (D) + (E) + (J)		47,871	81,915	(59,599)
L.	Non current bank loans	17	(181,049)	(204,254)	(172,163)
M.	Non-current derivative/financial instruments		0	1,818	4,751
N.	Other non current loans		(2,000)	(26,861)	0
O.	Non-current lease liabilities (IFRS16)	18	(51,286)	(44,934)	(35,622)
P.	Non current financial indebtedness (L) + (M) + (N) + (O)		(234,335)	(274,231)	(203,034)
Q.	Net financial indebtedness (K) + (P)		(186,464)	(192,316)	(262,633)

The net financial debt as at 30 June 2021 amounted to 186.5 million Euros, an improvement compared to 192.3 million as at 31 December 2020 and 262.6 million as at 30 June 2020. Net of the effects of IFRS 16, the net financial position at the end of the first half of 2021 amounted to about 125.2 million Euros, in full respect of the Financial Covenants for the period.

The financial debt of the Group includes 296.5 million Euros in liquidity, a further improvement compared to 251.5 million as at 31 December 2020.

As regards the structure of the financial debt, it must be pointed out that on 7 January 2021, 80 million Euros was paid out concerning the pool loan signed on 30 December 2020 with BNL and the Cassa Depositi e Prestiti. This loan is hedged by a SACE guarantee, as envisaged in the so-called "Liquidity Decree", no. 23 of 08/04/2021, and has a duration of 45 months (12 pre-amortisation).

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

It must be pointed out that, as a result of the advance extinction on 23 July 2021 of the USPP bond loan subscribed in July 2013, 33 million US dollars that was previously included in the item "Other non-current loans" was reclassified in the current financial liabilities section, together with 2.9 million Euros concerning the *make whole* clause for advance extinction.

The "Financial payables for IFRS16 leases" increased as a result of the consolidation of the subsidiary company Antonio Verrini S.r.l., control of which was finalised on 1st April 2021. The lease contracts of the subsidiary were included in the accounts according to the provisions of IFRS16.

With regard to the other main financial movements during the first half of 2021, in addition to the ordinary operating management and the outgoings concerning the investments made in the branches on the Parent Company, as described in more detail in the following paragraph "Investments", the payment by the Parent Company of 4.7 million Euros in April for the purchase of all of the holdings in Antonio Verrini S.r.l. and 0.2 million Euros for the purchase of all of the holdings in Chef S.r.l. should be noted.

Analysis of the Trade net working Capital

MARR Consolidated (€thousand)	*30.06.21*	*31.12.20*	*30.06.20*
Net trade receivables from customers	364,244	298,850	333,733
Inventories	166,369	134,581	148,277
Suppliers	(341,698)	(234,579)	(203,984)
Trade net working capital	188,915	198,852	278,026

As at 30 June 2021, the trade net working capital amounted to 188.9 million Euros, an improvement compared to 278.0 million Euros as at 30 June 2020 and a further reduction compared to 198.9 million Euros as at 31 December 2020.

The increase in supplies as at 30 June 2021 is the result of the purchase policy implemented in preparation for the summer season. It must be noted that the situation as at 30 June 2020 was affected by the shock caused by the health emergency that arose at the end of February 2020 and the closure of all businesses from 11 March 2020 until 18 May 2020.

The Group's focus on the management of trade receivables remains very high, implementing methods calibrated to the situation and requirements of each territory and market segment. The objective remains that of safeguarding the company assets, maintaining closeness to customers, enabling the timely management of receivables, and enhancing customer relations with a view to the full recovery of consumption levels.

Re-classified cash-flow statement

MARR Consolidated (€thousand)	*30.06.21*	*30.06.20*
Net result before minority interests	1,131	(14,013)
Amortization and depreciation	8,550	8,038
Change in Staff Severance Provision	1,236	(810)
Operating cash-flow	10,917	(6,785)
(Increase) decrease in receivables from customers	(65,394)	34,909
(Increase) decrease in inventories	(31,788)	22,118
Increase (decrease) in payables to suppliers	107,119	(120,551)
(Increase) decrease in other items of the working capital	15,156	11,662
Change in working capital	25,093	(51,862)
Net (investments) in intangible assets	(9,893)	(1,325)
Net (investments) in tangible assets	(3,080)	(5,009)
Flows relating to acquisitions of subsidiaries and going concerns	(4,879)	(800)
Investments in other fixed assets and other change in non current items	(17,852)	(7,134)
Free - cash flow before dividends	18,158	(65,781)
Distribution of dividends	0	0
Other changes, including those of minority interests	47	1,058
Cash-flow from (for) change in shareholders' equity	47	1,058
FREE - CASH FLOW	18,205	(64,723)
Opening net financial debt	(192,316)	(196,015)
Effect for change in liability for IFRS16	(12,353)	(1,895)
Cash-flow for the period	18,205	(64,723)
Closing net financial debt	(186,464)	(262,633)

In the following table we provide reconciliation between the "free-cash flow" above showed and the "increase/decrease in cash flow" reported in the cash flows statement (indirect method):

MARR Consolidated (€thousand)	*30.06.21*	*30.06.20*
Free - cash flow	18,205	(64,723)
(Increase)/decrease in current financial receivables	(2,631)	(18,818)
Increase/(decrease) in non-current net financial debt	(39,897)	2,412
Increase/(decrease) in current net financial debt	69,286	63,574
Increase (decrease) in cash-flow	44,963	(17,555)

Investments

The investments made in the half year are divided among the various categories as shown below.

(€thousand)	*30.06.21*
Intangible assets	
Patents and intellectual property rights	239
Concessions, licenses, trademarks and similar rights	1
Fixed assets under development and advances	127
Goodwill	9,526
Total intangible assets	9,893
Tangible assets	
Land and buildings	(833)
Plant and machinery	1,882
Industrial and business equipment	296
Other assets	862
Fixed assets under development and advances	877
Total tangible assets	3,084
Total	12,977

The main investments in the half year concerned:

- the completion of the headquarters located in the Municipality of Santarcangelo di Romagna (operational since February 2021), in relation to which the increases in the half-year mainly concern the item "Land and buildings" for 1,025 thousand Euros and the item " Plant and Machinery" for 150 thousand Euros.

- the purchase of plant and machinery and industrial and commercial equipment for the new MARR Catania branch (about 700 thousand Euros), operational since mid-March.

- -the purchase on 1st April 2021 of the shares in the company Antonio Verrini S.r.l. and those from the company Chef S.r.l.. The acquisition of the company Antonio Verrini S.r.l. entailed the provisional recognition of goodwill equal to 9.3 million Euros and tangible fixed assets for a total net book value of 249 thousand Euros, mainly concentrated in the "Plant and machinery" categories (for 121 thousand of Euros) and "Other assets" (for 121 thousand of Euros).
- The acquisition of Chef S.r.l. entailed the provisional recognition of goodwill equal to 212 thousand Euros and tangible fixed assets for a net book value of 10 thousand Euros, mainly concentrated in the "Other assets" categories and intangible fixed assets for 12 thousand Euros (in the category "Rights to use intellectual property").

In May 2021, the sale of the property located in Santarcangelo di Romagna in Via dell'Acero 1/A, where the headquarters was previously located, was finalized, substantially equal to the book values. The transaction resulted in a decrease in assets intended for sale equal to 2,400 thousand Euros.

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

Other information

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

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

During the half year, the Group did not carry out atypical or unusual transactions, as the acquisition of the two companies of the Verrini Group on 1st April 2021 is part of the usual growth project of the MARR Group also for external lines.

Significant events during the half-year 2021

On 5 March 2021, MARR notified that it had signed a binding Framework Agreement for the purchase of all of the holdings of a newly incorporated company, in which all of the operating assets of Antonio Verrini & Figli S.p.A. ("Verrini") would be conferred, including those for the processing and marketing of seafood products, together with those of Chef S.r.l. (Chef), which leases Chef Seafood.
After obtaining the consent of the Italian Antitrust Authority, MARR finalised the operation for the purchase of the two companies in the Verrini Group (with total revenues amounting to about 55 million Euros in 2020) on 1st April 2021.
The company Antonio Verrini S.r.l., incorporated for the purpose of the aforementioned purchase, continues to operate in Liguria and Versilia through its 5 distribution centres and has the dual objective of further developing the surrounding territories and assisting the MARR branches in increasing their service levels on the goods characterising them in favour of their customers.
The above Company, in addition to its procurement skills, is also capable of valorising purchases through its presence in the retail and wholesale channels, which are vital in terms of product segmentation. Furthermore, its specialisation in the foodservice segment, which represents more than half of Verrini's sales, could create important synergies within the MARR Group in terms of offer, aimed in particular at customers in the Street Market segment in Piedmont, Liguria and Tuscany.
Chef S.r.l., which operates through the lease of the "Chef Seafood" business, generates business mainly through customers in the foodservice segment on the Emilia-Romagna riviera, served by the distribution centre in San Clemente (Rimini) and continues the processing of seafood products for marketing directly and through the MARR branches operating in surrounding areas.
This purchase, which confirms the specific objective of the MARR Group to enhance its presence in terms of goods that are extremely important for its customers and are more difficult to manage and handle, and also the capacity to consolidate the market through combinations that are synergic and functional to its quality objectives, is of a strategic nature for the Group.

Effective as of 1st May 2021, the subsidiary Sifrutta S.r.l. has leased its going concern to the Parent Company. Since then, the business activities of the subsidiary have been carried out by the new MARR SiFrutta branch in Via Cina, 4, Rimini. The plan for the merger by incorporation into MARR S.p.A. of the entirely owned subsidiary Sifrutta S.r.l. was submitted to the Companies Register on 24 May 2021, and it is expected that the operation will be finalised in the second half of 2021.

On 28 April 2021, the Shareholders' Meeting approved the financial statements as at 31 December 2020 and resolved to retain the business year losses.
During the course of the meeting, the First Section of the Report on the remuneration policy and remuneration paid was submitted and the Second Section approved (see the section of the company website www.marr.it/corporate-governance/assemblee).

The Board of Directors meeting on 14 May 2021, within the terms envisaged in Art. 14 of the Company By-Laws and therefore pursuant to Art. 2386 of the Italian Civil Code and with the favourable opinion of the Board of Statutory Auditors, without the need to submit a list given that the candidate appointed therefrom had in the meantime withdrawn because of business commitments, appointed as Board Member Mr. Paolo Ferrari (whose CV can be consulted on the Company website and who is not currently in possession of any Company shares). He will step down from office on the same date as the other Board members in office, and thus on the date of approval of the financial statements as at 31 December 2022.

Subsequent events after the closing of the half-year

The Board of Directors meeting on 21 July 2021 approved the issuing of the Senior Unsecured Notes bond loan for 100 million Euros, destined to a United States institutional investor (Pricoa Private Capital, a company in The Prudential Insurance Company of America Group). The duration of this bond loan is 10 years from the closing date, which was 29 July.

The Board of Directors meeting on 21 July 2021 also approved the merger by incorporation into MARR S.p.A. of the fully owned subsidiary SiFrutta S.r.l..

Transactions with related parties

Related parties include subsidiary, associated, holding and affiliated companies and the members of the top management.

With regard to the transactions with subsidiaries, associates, parent companies and affiliates, please refer to the analytical indications given in the explanatory notes to these interim condensed consolidated 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 general services
Parent Company - Cremonini S.p.A.	Trade and general services
Associated Companies	Trade and general services
Associated Companies - Cremonini Group's companies	Trade and general services

It is pointed out that the value of MARR's consolidated purchase and sales of goods by transactions with the parent company Cremonini S.p.A. and affiliated companies (identified by name in the following table) represented in the half-year approximately 9.5% of the total consolidated purchases and 2.3% of the total consolidated revenue from sales and services carried out by the Group respectively.
All the commercial transactions and supply of services, occurred at market value.

The following table reports economical and financial data of the first half of 2021 towards each related party.

COMPANY	FINANCIAL RELATIONS						ECONOMIC RELATIONS								
	RECEIVEBLES			PAYABLES			REVENUES				COSTS				
	Trade	Other	Financial	Trade	Other	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Parent Companies:															
Cremonini S.p.A. (*)	57	13	4,567	2,743	1,717		5			13		610			1
Total	57	13	4,567	2,743	1,717	0	5	0	0	13	0	610	0	0	1
From unconsolidated subsidiaries:															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies:															
Jolanda De Colò	15			11			5								
Total	15	0	0	11	0	0	5	0	0	0	0	0	0	0	0
From Affiliated Companies (**)															
Cremonini Group															
Caio S.r.l.	3						4								
Casa Maioli S.r.l.	24						36								
Castelfrigo S.r.l.				36							34				
Chef Express S.p.A.	559	9					1,419					10			
Fiorani & C. S.p.a.		149		4,682					157		6,852				
Global Service S.r.l.		29		715								565			
Guardamiglio S.r.l.	5						17								
Inalca Food and Beverage S.r.l.	952	1					3,486	76			5	1			
Inalca S.p.a.		54		28,443			5		133		35,174	8			
Italia Alimentari S.p.a.	2	66		1,283			2		63		1,622				
Roadhouse Grill Roma S.r.l.	267						713								
Roadhouse S.p.A.	3,129				5		6,066	4							
W Italia S.r.l.	104						123								
From Affiliated Companies															
Le Cupole S.r.l.						3,816									58
Antonio Verrini & Figli S.p.A.						2,489									18
Time Vending S.r.l.		30							10						
Total	5,045	338	0	35,159	5	6,305	11,871	80	363	0	43,687	584	0	0	76

(*) 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 2019. Trade receivables and payables include the net amount of VAT transferred to Cremonini within the scope of the Group VAT liquidation.

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

From Other Related Parties															
Members of top management team					423							321			
Total	0	0	0	0	423	0	0	0	0	0	0	321	0	0	0

Outlook

The positive nature of the second part of the half-year is confirmed by the trend of sales in the first two months of the summer season. In June and July, the MARR sales reached about 338 million Euros, a significant increase compared to 2020 (236 million) and closing in on those of 2019 (344 million).
The trend in June-July thus make the hope of a recovery in out-of-home food consumption linked to holidays and tourism more realistic, which, thanks also to the strong efforts and professionalism of the entire organization enables to confirm a justified optimism also for the next months.

Going concern

With regard to the strategies implemented by the Group to deal with the pandemic, in addition to that described in these Half-Year Financial Statements as at 30 June 2021, see that described in the 2020 Annual Report.
In this context, although considering the complexity of a rapidly developing market context, the Company considers it appropriate and correct to presuppose that business will continue, taking into account its capacity to deal with its obligations in the foreseeable future, and in particular in the coming 12 months, on the basis of the solidity of the Group's financial structure, with regard to which the following should be noted:
- the confirmation of a consistent availability of cash and cash equivalents (over 296 million Euros as at 30 June 2021);
- the respect of the financial covenants as at 30 June 2021 and, on this basis, the expectation that they will be confirmed for 31 December 2021 as well;
- the credit lines granted and unused as at 30 June 2021, amounting to not less than 200 million Euros;
- the support of the main banks, thanks to its leadership position in its sector of business, also considering that on 7 January 2021, the pool loan with BNL and the Cassa Depositi e Prestiti was paid out for an amount of 80 million Euros, with a duration of 45 months (12 months pre-amortisation) and hedged by a SACE guarantee as envisaged in the so-called "Liquidity Decree" no. 23 of 08/04/2021;
- the subscription on 29 July 2021 of a Senior Unsecured Notes bond loan for 100 million Euros, destined to a United States institutional investor (Pricoa Private Capital, a company in The Prudential Insurance Company of America Group), with a duration of 10 years.

Interim Condensed Consolidated Financial Statements

MARR Group

as at 30 June 2021

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	Notes	30.06.21		31.12.20	
ASSETS					
Non-current assets					
Tangible assets	1	77,544		75,517	
Right of use	2	59,322		51,849	
Goodwill	3	160,594		151,068	
Other intangible assets	4	2,572		2,420	
Investments at equity value	5	1,799		1,828	
Investments in other companies		175		300	
Non-current financial receivables	6	1,476		1,070	
Non-current derivative/financial instruments	11	0		1,818	
Deferred tax assets	7	1,208		0	
Other non-current assets	8	35,360		44,894	
Total non-current assets		340,050		330,764	
Current assets					
Inventories	9	166,369		134,581	
Financial receivables	10	6,321		6,420	
relating to related parties		*4,567*	*72.3%*	*5,794*	*90.2%*
Current derivative/financial instruments	11	2,730		0	
Trade receivables	12	353,720		283,150	
relating to related parties		*5,117*	*1.4%*	*6,042*	*2.1%*
Tax assets	13	5,424		6,277	
relating to related parties		*12*	*0.2%*	*12*	*0.2%*
Cash and cash equivalents	14	296,454		251,491	
Other current assets	15	39,201		39,608	
relating to related parties		*339*	*0.9%*	*484*	*1.2%*
Total current assets		870,219		721,527	
Non-recurring assets held for sale		0		2,400	
TOTAL ASSETS		*1,210,269*		*1,054,691*	
LIABILITIES					
Shareholders' Equity	16	339,291		338,112	
Share capital		*33,263*		*33,263*	
Reserves		*286,558*		*286,510*	
Profit for the period		*19,470*		*18,339*	
Total Shareholders' Equity		339,291		338,112	
Non-current liabilities					
Non-current financial payables	17	183,049		231,066	
Non-current lease liabilities (IFRS16)	18	51,286		44,934	
relating to related parties		*5,561*	*10.8%*	*3,537*	*7.9%*
Non-current derivative/financial instruments		0		49	
Employee benefits	19	8,511		7,275	
Provisions for risks and costs	20	7,669		7,099	
Deferred tax liabilities	7	0		1	
Other non-current liabilities	21	2,048		1,868	
Total non-current liabilities		252,563		292,292	
Current liabilities					
Current financial payables	22	247,652		167,462	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Current lease liabilities (IFRS16)	23	9,957		8,528	
relating to related parties		*744*	*7.5%*	*556*	*6.5%*
Current derivative/financial instruments	24	25		6	
Current tax liabilities	25	4,098		1,792	
relating to related parties		*1,717*	*41.9%*	*770*	*43.0%*
Current trade liabilities	26	341,698		234,579	
relating to related parties		*37,913*	*11.1%*	*9,512*	*4.1%*
Other current liabilities	27	14,985		11,920	
relating to related parties		*428*	*2.9%*	*258*	*2.2%*
Total current liabilities		618,415		424,287	
TOTAL LIABILITIES		*1,210,269*		*1,054,691*	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€thousand)	*Notes*	*30.06.21 (6 months)*		*30.06.20 (6 months)*	
Revenues	28	530,072		435,222	
relating to related parties		*11,961*	*2.3%*	*18,142*	*4.2%*
Other revenues	29	11,906		11,884	
relating to related parties		*363*	*3.0%*	*266*	*2.2%*
Changes in inventories	9	30,754		(22,339)	
Purchase of goods for resale and consumables	30	(458,705)		(347,262)	
relating to related parties		*(43,687)*	*9.5%*	*(29,444)*	*8.5%*
Personnel costs	31	(16,236)		(13,009)	
Amortizations, depreciations and provisions	32	(9,100)		(8,467)	
Losses due to impairment of financial assets	33	(7,041)		(8,458)	
Other operating costs	34	(74,555)		(63,954)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(62)*		*(47)*	
relating to related parties		*(1,515)*	*2.0%*	*(1,517)*	*2.4%*
Financial income and charges	35	(5,292)		(2,488)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(277)*		*(339)*	
relating to related parties		*(64)*	*1.2%*	*4*	*(0.2%)*
Income (charge) from associated companies	36	(154)		(163)	
Result before taxes		*1,649*		*(19,034)*	
Taxes	37	(518)		5,021	
Result for the period		*1,131*		*(14,013)*	
Attributable to:					
Shareholders of the Parent Company		1,131		(14,013)	
Minority interests		0		0	
		1,131		*(14,013)*	
basic Earnings per Share (euro)	38	0.02		(0.21)	
diluted Earnings per Share (euro)	38	0.02		(0.21)	

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	*Notes*	*30.06.21 (6 months)*	*30.06.20 (6 months)*
Result for the period (A)		*1,131*	*(14,013)*
Items to be reclassified to profit or loss in subsequent periods:			
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		51	1,046
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		0	14
Total Other Profits/Losses, net of taxes (B)	*39*	*51*	*1,060*
Comprehensive Result (A) + (B)		*1,182*	*(12,953)*
Attributable to:			
Shareholders of the Parent Company		1,182	(12,953)
Minority interests		0	0
		1,182	*(12,953)*

(note 16)

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDER'S EQUITY

Description	Share Capital	Other reserves											Retained earnings	Total Group net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to Ias/Ifrs	Cash-flow hedge reserve	Reserve ex art. 55 (dpr 597-917)	Reserve IAS 19	Total Reserves		
Balance at 1st January 2020	33,263	63,348	6,652	13	36,496	106,111	1,475	7,290	(588)	1,458	(822)	221,434	85,101	339,798
Allocation of 2019 result						64,349						**64,349**	(64,349)	
Other minor variations								1		(3)		**(3)**	1	**(2)**
- Result for the period													(14,013)	(14,013)
- Other Profits/Losses, net of taxes									1,046		14	**1,060**		1,060
Consolidated comprehensive result (1/1 -30/06/2020)														**(12,953)**
Balance at 30 June 2020	33,263	63,348	6,652	13	36,496	170,460	1,475	7,291	458	1,455	(808)	286,840	6,740	326,843
Other minor variations								(1)		(2)		**(3)**	(1)	**(4)**
- Result for the period													11,600	11,600
- Other Profits/Losses, net of taxes									(324)		(3)	**(327)**		(327)
Consolidated comprehensive result (1/07-31/12/2020)														**11,273**
Balance at 31 December 2020	33,263	63,348	6,652	13	36,496	170,460	1,475	7,290	134	1,453	(811)	286,510	18,339	338,112
Other minor variations								2		(6)		**(3)**		**(3)**
- Result for the period													1,131	1,131
- Other Profits/Losses, net of taxes									51			**51**		51
Consolidated comprehensive result (1/1 -30/06/2021)														**1,182**
Balance at 30 June 2021	33,263	63,348	6,652	13	36,496	170,460	1,475	7,292	185	1,447	(811)	286,558	19,470	339,291

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	30.06.21		30.06.20	
Result for the Period	1,131		(14,013)	
Adjustment:				
Amortization/Depreciation	3,671		3,604	
IFRS 16 depreciation	4,880		4,434	
Change in deferred tax	(1,142)		(5,368)	
Allocation of provison for bad debts	7,291		8,457	
Provison for supplementary clientele severance indemnity	241		432	
Write-downs of investments non consolidater on a line - by - line basis	154		163	
Capital profit/losses on disposal of assets	163		(100)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Financial (income) charges net of foreign exchange gains and losses	5,827		2,475	
relating to related parties	*64*	*1.1%*	*(4)*	*(0.2%)*
Foreign exchange evaluated (gains)/losses	(140)		24	
Total	**20,945**		**14,121**	
Net change in Staff Severance Provision	(326)		(833)	
(Increase) decrease in trade receivables	(76,871)		44,481	
relating to related parties	*925*	*(1.2%)*	*6,983*	*15.7%*
(Increase) decrease in inventories	(30,754)		22,307	
Increase (decrease) in trade payables	104,596		(130,600)	
relating to related parties	*28,301*	*27.1%*	*6,853*	*(5.2%)*
(Increase) decrease in other assets	10,460		9,724	
relating to related parties	*145*	*1.4%*	*191*	*2.0%*
Increase (decrease) in other liabilities	2,627		(6,590)	
relating to related parties	*170*	*6.5%*	*(397)*	*6.0%*
Net change in tax assets / liabilities	3,509		1,013	
relating to related parties	*947*	*27.0%*	*290*	*28.6%*
Interest paid	(6,133)		(3,118)	
relating to related parties	*(77)*	*1.3%*	*(5)*	*0.2%*
Interest received	306		643	
relating to related parties	*13*	*4.2%*	*9*	*1.4%*
Foreign exchange evaluated gains	140		5	
Foreign exchange evaluated	0		(29)	
Income tax paid	(416)		0	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Cash-flow form operating activities	**29,214**		**(62,889)**	
(Investments) in other intangible assets	(24)		(177)	
Devaluation of goodwill	0		0	
(Investments) in tangible assets	339		(4,428)	
Net disposal of tangible assets	2,302		258	
Outgoing for acquisition of subsiaries or going concerns during the year (net of liquidity purchased)	(4,733)		(615)	
Cash-flow from investment activities	**(2,116)**		**(4,962)**	
Other changes, including those of third parties	48		1,058	
Net change in liabilities (IFRS 16)	(4,572)		(4,130)	
relating to related parties	*2,212*	*(48.4%)*	*(329)*	*8.0%*
Net change in financial receivables / payables for derivatives	(942)		0	
Net change in financial receivebles (excluding the new non-current loans received)	(7,623)		7,435	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
New non-current loans received	80,000		122,500	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Repayment of other long-term debt	(48,883)		(61,176)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Net change in current financial receivables	243		(14,067)	
relating to related parties	*1,227*	*504.9%*	*(13,778)*	*97.9%*
Net change in non-current financial receivables	(406)		(1,324)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Cash-flow from financing activities	**17,865**		**50,296**	
Increase (decrease) in cash-flow	**44,963**		**(17,555)**	
Opening cash and equivalents	251,491		192,493	
Closing cash and equivalents	**296,454**		**174,938**	

For the reconciliation between the opening figures and closing figures with the relevant movements of the financial liabilities deriving from financing activities (as required by paragraph 44A of IAS 7), see Appendix 3 to the following Explanatory Notes.

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

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

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

The Parent Company is controlled by Cremonini S.p.A., the essential figures of which are exposed in the following Appendix 4, and that hold the 50.42% of the share capital.

The consolidated financial statements for the business year closing as at 30 June 2021 were authorised for publication by the Board of Directors on 3 August 2021.

Structure and contents of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements at 30 June 2021 have been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002. The IFRS also include all of the international accounting standards ("IAS/IFRS") and interpretation of the IFRS Interpretations Committee ("IFRIC"), formerly known as the "Standing Interpretations Committee" (SIC).

Specifically, this half-yearly financial report has been drawn up in a condensed form, within the framework of the options envisaged by IAS 34 ("Interim Financial Reporting"). This condensed half-year financial statements therefore do not include all the information required by the annual financial statements and must be read together with the annual financial statements prepared for the year ended December 31, 2020.

In particular, the same accounting principles adopted in the preparation of the consolidated financial statements at 31 December 2020 were applied in the preparation of these interim condensed consolidated financial statements, with the exception of the adoption of the new standards, amendments and interpretations in force from 1st January 2021, described below.

The interim condensed consolidated financial statements at 30 June 2021 were prepared on the basis of the going concern assumption, based on the assessments made by the Directors and illustrated in the following paragraph "Going concern".

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

This sector is subject to seasonal dynamics mainly linked to the flows of the tourist season, which are more concentrated in the summer months and during which the increase in activities, and therefore in net working capital, historically implies greater cash flows and the consequent increase in the financial requirements.

With regard to performance levels in the first half of 2021, see what described in the Directors' Report.

The interim condensed consolidated financial statements as at 30 June 2021 have been prepared on the basis of the cost method except for the derivative financial instruments, which are recorded at fair value.

In observance of that provided by Consob, the figures in the Statement of profit or loss are provided for the 2021 half year and the period between the start of the business year and the half-year end closing date (progressive); they are compared with the figures for the same periods of the previous business year. The figures in the Statement of financial position concerning the half-year end closing date are compared with the figures at the closing date of the previous business year. Therefore, the comments on the items on the Income Statement are made with reference to the same period for the previous year (30 June 2020) while those for the Statement of financial position are made comparing to the previous business year (31 December 2020).

The following classifications have been used:
– "Statement of financial position" by current/non-current items
– "Statement of profit or loss" by nature
– "Cash flows statement" (indirect method)
These classifications are deemed to provide information which is better suited to represent the economic and financial situation of the Group.

The figures are expressed in Euros.

For easier reading, the statements and tables contained in this half-year report are shown in thousands of Euros.

Going concern

With regard to the strategies implemented by the Group to deal with the pandemic, in addition to that described in these Half-Year Financial Statements as at 30 June 2021, see that described in the 2020 Annual Report.
In this context, although considering the complexity of a rapidly developing market context, the Company considers it appropriate and correct to presuppose that business will continue, taking into account its capacity to deal with its obligations in the foreseeable future, and in particular in the coming 12 months, on the basis of the solidity of the Group's financial structure, with regard to which the following should be noted:
- the confirmation of a consistent availability of cash and cash equivalents (over 296 million Euros as at 30 June 2021);
- the respect of the financial covenants as at 30 June 2021 and, on this basis, the expectation that they will be confirmed for 31 December 2021 as well;
- the credit lines granted and unused as at 30 June 2021, amounting to not less than 200 million Euros;
- the support of the main banks, thanks to its leadership position in its sector of business, also considering that on 7 January 2021, the pool loan with BNL and the Cassa Depositi e Prestiti was paid out for an amount of 80 million Euros, with a duration of 45 months (12 months pre-amortisation) and hedged by a SACE guarantee as envisaged in the so-called "Liquidity Decree" no. 23 of 08/04/2021;
- the subscription on 29 July 2021 of a Senior Unsecured Notes bond loan for 100 million Euros, destined to a United States institutional investor (Pricoa Private Capital, a company in The Prudential Insurance Company of America Group), with a duration of 10 years.

Scope of consolidation

The condensed half-year consolidated financial statements as at 30 June 2021 includes the accounts of the Parent Company MARR S.p.A. and those of the companies it has direct or indirect control over.

Control is achieved when the Group is exposed to or has the right to variable yields, deriving from its own relations with the entity invested in and, at the same time, has the capacity to affect these yields by exercising its own power of said entity.
Specifically, the Group controls a subsidiary if, and only if, it has:
· power over the entity invested in (in other words it has valid rights that confer upon it the current capacity to manage the significant business activities of the entity);
· exposure to or the right to variable yields deriving from its relations with the entity invested in;
· the capacity to exercise its power over the entity invested in in order to affect the amount of the yields.
Generally, there is a presupposition that the majority of voting rights implies control. In support of this presupposition, and when the Group has less than the majority of the voting (or similar) rights, the Group takes into consideration all of the relevant facts and circumstances to determine whether it controls the entity invested in or not, including:
· contractual agreements with others owning voting rights;
· the rights deriving from contractual agreements;
· voting rights and potential voting rights of the Group.

The Group reconsiders whether it has control over a subsidiary or not if the facts and circumstances indicate that there have been changes in one or more of the three significant elements in defining control.
The complete list of the holdings included in the scope of consolidation as at 30 June 2021, indicating the method of consolidation, is included in the preceding section "Structure of the Group".
The consolidated financial statements have been prepared on the basis of the accounts as at 30 June 2021 prepared by the companies within the scope of consolidation and rectified, if necessary, in order to bring them in line with the accounting standards and classification criteria of the Group in compliance with the IFRS.

The scope of consolidation as at 30 June 2021 differs with respect to that as at 31 December 2020 and also with respect to that as at 30 June 2020 due to the purchase, finalised on 1st April 2021, by MARR S.p.A. of 100% of the holdings in two companies:

- Antonio Verrini S.r.l., a company based in Genoa, which represents the reference core business in Liguria and Versilia in the wholesale marketing of fresh, frozen and deep-frozen seafood products, through 5 distribution centres on the Ligurian riviera;
- Chef S.r.l., a company operating in the processing and distribution of fresh, frozen and deep-frozen seafood products, mainly for customers in the foodservice segment on the Emilia-Romagna riviera, through a distribution centre in San Clemente (Rimini);

With respect to the situation as at 31 December 2020, it must be pointed out that, as of 1st May 2021, the subsidiary SiFrutta S.r.l. has leased its going concern to the parent company MARR S.p.A., without any effect on the Group consolidated financial statements.

Accounting policies

Accounting principles

The valuation criteria used for the purpose of preparing the consolidated accounting statements of the half-year financial report as at 30 June 2021 do not differ from those used for the preparation of the consolidated financial statements as at 31 December 2020, with the exception of the new accounting standards, amendments and applicable interpretations from 1st January 2021 shown below:

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

Accounting standards issued but not yet in force

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

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

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

Information by business sector

For the purposes of the application of IFRS 8 it is noted that the Group operates in the "Distribution of food products to out-of-home food consumption" sector only.

Main estimates adopted by Management and discretional assessments

In preparing the condensed half-year consolidated financial statements, the Directors of the companies in the Group have made some discretional evaluations, estimates and hypotheses that influence the values of the revenues, costs, assets and liabilities, and the indication of the potential liabilities as of the date of the financial statements. However, uncertainty in these hypotheses and estimates may lead to outcomes that require the future adjustment, which may be significant, to the value of the accounts of said assets and/or liabilities.

Estimates and hypotheses used

The following are the key hypotheses regarding the future and other significant sources of uncertainty in the estimates on the closing date of the financial statements that could lead to significant adjustments to the book values of the assets and liabilities in coming years. The results that will be achieved may differ from these estimates. The estimates and assumptions are reviewed periodically and the effects of all changes reflected in the income statement.

- *Impairment test* on the goodwill: the non-financial assets with an undefined useful lifetime are not amortised but subjected to an impairment test annually or whenever there are indicators of impairment. In this regard, it must be pointed out that, after the beginning of the year which was affected, in the first quarter of 2021, by the market situation, the first timid signs of recovery in consumption levels were seen in April. During the second quarter, there was a significant increase in revenues (353.3 million Euros compared to 185.3 million Euros last year), with growth rates well in excess of the Market average. The positivity of the second part of the half year has been confirmed by the performance of sales in the first two months of the summer season. In June and July, MARR sales reached about 338 million Euros, a significant growth compared to those in 2020 (236 million) and returning to near those of 2019 (344 million). The trends in June and July therefore make more concrete the hopes of a recovery in out-of-home consumption related to holidays and tourism. In the light of this scenario, the management believes that the capacity of the Group to respond positively to the market situation is confirmed and there are no indicators of impairment in these assets.

- *Expected credit losses*: the Company's focus on the management of the trade receivables is high, implementing methods calibrated to the situation and requirements of each territory and market segment. The objective remains that of safeguarding the company's equity while maintaining a closeness to the customer that enables the timely management of credit and also enhances relations with the customers themselves. In the light of the above, the management has made a prudential estimate of the expected credit losses, which may be confirmed in coming months on the basis of encashment activities undertaken up to now and has seen an increase in the provision for bad debts.

- Economic and financial plans: as a result of Covid-19, the Group has reviewed the economic, financial and future performance forecasts. The performance in the first half year and that in July 2021 has confirmed the forecasts made in the economic and financial plans submitted during the Board of Directors meeting on 19 February 2021, during the approval of the impairment test procedure.

- Other elements in the financial statements that have been the subject of estimates and assumptions by the management are the inventory write-down and the determination of the amortisations.
  These estimates, although supported by well-defined corporate procedures, require in any event that hypotheses be made mainly regarding the future realisability of the value of the inventories and also the residual useful lifetime of the assets, which may be influenced both by market trends and by the information available to the management.

Management of financial risks

- The health emergency from Covid-19 and the consequent tax containment provisions had significantly impacted the dynamics of the sector in which the Group operates, resulting in economic and financial tensions that affected all operators and which had an inevitable impact on financial risks. to which the Group is exposed in carrying out its activities:
- market risks (including the exchange rate risk, interest rate risk and the price risk);
- credit risk;
- liquidity risk.

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

Classes of financial instruments

The following items are reported in keeping with the accounting rules relative to financial instruments:

(€thousand)	30 June 2021			
Assets as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current derivative/financial instruments	0	0	0	0
Non-current financial receivables	1,476	0	0	1,476
Other non-current assets	35,360	0	0	35,360
Current financial receivables	6,321	0	0	6,321
Current derivative/financial instruments	0	2,730	0	2,730
Current trade receivables	353,720	0	0	353,720
Cash and cash equivalents	296,454	0	0	296,454
Other current receivables	39,201	0	0	39,201
Total	732,532	2,730	0	735,262
Liabilities as per balance sheet				
Non-current financial payables	183,049	0	0	183,049
Non-current lease liabilities (IFRS16)	51,286	0	0	51,286
Non-current derivative/financial instruments	0	0	0	0
Current financial payables	247,652	0	0	247,652
Current lease liabilities (IFRS16)	9,957	0	0	9,957
Current derivative/financial instruments	0	25	0	25
Total	491,944	25	0	491,969

(€thousand)	31 December 2020			
Assets as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current derivative/financial instruments	0	1,818	0	1,818
Non-current financial receivables	1,070	0	0	1,070
Other non-current assets	44,894	0	0	44,894
Current financial receivables	6,420	0	0	6,420
Current derivative/financial instruments	0	0	0	0
Current trade receivables	283,150	0	0	283,150
Cash and cash equivalents	251,491	0	0	251,491
Other current receivables	39,608	0	0	39,608
Total	626,633	1,818	0	628,451
Liabilities as per balance sheet				
Non-current financial payables	231,066	0	0	231,066
Non-current lease liabilities (IFRS16)	44,934	0	0	44,934
Non-current derivative/financial instruments	0	49	0	49
Current financial payables	167,462	0	0	167,462
Current lease liabilities (IFRS16)	8,528	0	0	8,528
Current derivative financial instruments	0	6	0	6
Total	451,990	55	0	452,045

In compliance with that required by IFRS 13, we would point out that the derived financial instruments, constituted by contracts for the coverage of exchange and interest rates, are classifiable as "Level 2" financial assets, in as much as the

inputs which have a significant effect on the fair value registered are market figures observable directly (exchange and interest rate market).[ii] Similarly, as regards the non-current financial debts, are also classifiable as "Level 2" financial assets, in as much as the inputs influencing their fair value are market data which is directly observable.
As regards the other current and non-current assets, see that stated in paragraphs 8 and 15 of these explanatory notes.

Transactions with related parties

Related parties include subsidiary, associated, holding and affiliated companies and the members of the top management.

As regards the nature of relations with them, please refer to what illustrated in the following Annex 2.
It is recalled that transactions with related parties were carried out at market values, on the basis of mutual economic convenience.

Significant events during the first half-year 2021 and after the closing the first half-year 2021

See that described in the Directors' Report as regards the significant events during the first half year of 2021.

The events subsequent to the closing of the first half year include the following:

- on 21 July 2021, the Board of Directors approved the merger by incorporation into MARR S.p.A. of the fully owned subsidiary SiFrutta S.r.l., without any effects on the Group consolidate financial statements;

- on 23 July 2021, the USPP bond loan subscribed in July 2013 was extinguished in advance, for the residual amount of 33 million US dollars;

- on 29 July 2021, the issuing was finalised of a Senior Unsecured Notes bond loan for 100 million Euros and with a duration of 10 years, destined to a United States institutional investor (Pricoa Private Capital, a company in The Prudential Insurance Company of America Group).

Others information

During the half year, the Group did not carry out atypical or unusual transactions, as the acquisition of the two companies of the Verrini Group on 1st April 2021 is part of the usual growth process of the MARR Group also for external lines.

[ii] The Group identifies as "Level 1" financial assets and liabilities those for which the input which has a significant effect on the fair value registered are represented by prices listed on an active market for similar assets or liabilities and as "Level 3" financial assets and liabilities those for which the input is not based on observable market figures.

Comments to the main items included in the consolidated statement of financial position

ASSETS

Non-current assets

1. Tangible assets

(€thousand)	Balance at 30.06.21	Purchases/ other movements	Net decreases	Depreciation	Change in consolidation	Balance at 31.12.20
Land and buildings	59,990	14,611	(10)	(1,433)	210	46,612
Leasehold imporvements	2,544	243	0	(193)	0	2,494
Plant and machinery	8,152	2,619	2	(1,040)	121	6,450
Industrial and business equipment	1,667	290	(2)	(180)	8	1,551
Other assets	4,270	2,058	(55)	(611)	130	2,748
Fixed assets under development and advances	921	(14,741)	0	0	0	15,662
Total tangible assets	77,544	5,080	(65)	(3,457)	469	75,517
Land and buildings	0	0	(2,400)	0	0	2,400
Total non-recurring assets held for sale	0	0	(2,400)	0	0	2,400
Total	77,544	5,080	(2,465)	(3,457)	469	77,917

The movement shown in the column "Change in consolidation" shows the net book value of the tangible fixed assets acquired with the control and subsequent consolidation of the subsidiaries Antonio Verrini S.r.l. and Chef S.r.l.. Investments for the half year are shown in the "Purchases/other movements" column.

The consolidation of the subsidiary Antonio Verrini S.r.l. involved the entry of tangible fixed assets for a total net book value of 249 thousand euros and mainly concentrated in the categories "Plant and machinery" (for 121 thousand Euros) and "Other assets" (for 121 thousand Euros).

The consolidation of Chef S.r.l., on the other hand, involved the entry of tangible fixed assets for a net book value of 10 thousand Euros and concentrated mainly in the "Other assets" categories.

Net of the aforementioned increases, the remaining main movements involving tangible fixed assets during the first half of 2021 were:

- the completion of the headquarters located in the Municipality of Santarcangelo di Romagna (operational since February 2021), in relation to which the increases in the half-year mainly concern the item "Land and buildings" for 1,025 thousand Euros and the item " Plant and Machinery" for 150 thousand Euros.

- the sale, occurred in May 2021 substantially at book values, of the property located in Santarcangelo di Romagna in Via dell'Acero 1/A where the head office was previously located. The operation resulted in a decrease in the item "Assets held for sale" equal to 2,400 thousand of Euros;

- the purchase of plant and machinery and industrial and commercial equipment for the new MARR Catania branch (about 700 thousand Euros), operational since mid-March.

It should be noted that, following the entry into operation of the new headquarters in February 2021, the amount previously recorded in the item "Fixed assets under development and advances" was reclassified for 13,417 thousand Euros in the item "Land and buildings", for 855 thousand Euros in the item "Plant and machinery" and for 1,271 thousand Euros in the item "Other assets", for a total amount of 15,543 thousand Euros.

2. Right of use

(€thousand)	Balance at 30.06.21	Purchases	Net decreases	Depreciation	Change in consolidation	Balance at 31.12.20
Land and buildings - Right of use	56,469	6,690	0	(4,359)	3,527	50,611
Other assets - Right of use	2,853	42	(7)	(521)	2,101	1,238
Total Right of use	59,322	6,732	(7)	(4,880)	5,628	51,849

This item represents the actualised value of the future leasing fees concerning the operating lease contracts with a multiannual duration that were ongoing as at 30 June 2021.

The value above consists of 103 lease contracts: 41 related to industrial buildings in which some distribution centres of the Parent Company and of the subsidiary New Catering, Antonio Verrini S.r.l. e Chef S.r.l, are located and 62 related to other assets.

As regards the item "Change in the consolidation", the following is noted:
- the consolidation of the company Antonio Verrini S.r.l. resulted in the entry of 52 leases: 7 relating to industrial buildings and 45 contracts relating to other assets;
- the consolidation of Chef S.r.l. resulted in the entry of 3 leases: 1 relating to an industrial building and 2 contracts relating to other assets.

3. Goodwill

(€thousand)	Balance at 30.06.21	Purchases	Other movements	Balance at 31.12.20
Marr S.p.A.	136,205	0	0	136,205
AS.CA S.p.A.	8,634	0	0	8,634
New Catering S.r.l.	5,082	0	0	5,082
Sì Frutta S.r.l.	1,147	0	0	1,147
Chef S.r.l.	212	212	0	0
Antonio Verrini S.r.l.	9,314	9,314	0	0
Total Goodwill	160,594	9,526	0	151,068

The goodwill is not subject to amortisation; the recoverability of the relative book value is verified at least annually, and in any event whenever events occur that may lead to a presupposition of impairment. This verification is conducted at the level of the smallest aggregate on the basis of which the company management assesses, directly or indirectly, the return on the investment including goodwill itself (the "cash generating unit"). See that described in the financial statements as at 31 December 2020 as regards the main hypotheses used in determining the recoverable value.

It must also be noted that the results achieved in the first half of 2021 are in line with those envisaged in the budget drawn up by the Board of Directors in February 2021 and used for the impairment test. For this reason, the company management has not identified any "impairment indicators" such as to require the preparation of an infra-annual impairment test, and has not therefore deemed any impairment in the value of the assets.

As regards the increase for the period, this concerns the purchase, finalised by the Parent Company MARR S.p.A. on 1st April 2021, of all of the holdings in the companies Antonio Verrini S.r.l. and Chef S.r.l., operating in the fresh seafood segment on the foodservice market and that of distribution to the end customer.

The following paragraph briefly described the effects of the two purchase operations.

Both of the operations described were recorded in the accounts on the basis of accounting standard IFRS 3 – "Business combinations", given that there were both purchases. As at 30 June 2021, a mere 3 months after the relative acquisitions finalised on 1st April 2021, the fair value evaluation of the assets and liabilities acquired has not yet been completed, As envisaged in the aforementioned accounting standard, the management will finalise the opportune evaluations within 12 months of the acquisition date, partially rectifying the values of the goodwill acquired if necessary.

Corporate aggregations realised during the first half-year

The purchase of Antonio Verrini S.r.l. on 1st April 2021 has had the following effects:

Purchase consideration	*(€thousand)*
Total purchase consideration	7,730
- Activities/(liabilities) acquired	(1,584)
Goodwill	9,314

The book values, determined in compliance with the IFRS as at 31 March 2021, of the company purchased and the amounts as at the same date of each class of asset, liability and potential liability of the purchased company are illustrated below:

(€thousand)	*Book value of acquired company*	*Activities and liabilities acquired*
Tangible and intangible assets	580	6,088
Cash and cash equivalents	10	10
Other current activities	14	14
Employee benefits	(1,319)	(1,456)
Provisions for risks and costs	(32)	(32)
Other current payables	(733)	(6,208)
Total activities and liabilities acquired	(1,480)	(1,584)

The goodwill attributed to the acquisition is justified by the strategic valence of the company purchased, operating in the fresh seafood market in Liguria and Versilia. Through its 5 distribution centres, the company has the dual objective of further developing the surrounding territories and assisting the MARR branches in increasing the level of service for the goods characterising it, in favour of its customers.

It must be pointed out that in the second quarter of 2021, from the date of initial consolidation until 1st April 2021, the subsidiary Antonio Verrini S.r.l. generated revenues from sales amounting to about 16.0 million Euros.

The price paid for this acquisition by MARR during the half year amounted to 4,679 thousand Euros, to which an incremental price ("earn-out") of 2 million Euros must be added, the payment of which is envisaged subsequently to the preparation of the annual financial statements as at 31 December 2022 of the new subsidiary.

The purchase of Chef S.r.l. on 1st April 2021, which is part of the wider-ranging acquisition of Antonio Verrini S.r.l., has had the following effects:

Purchase consideration	*(€thousand)*
Total purchase consideration	56
- Activities/(liabilities) acquired	(156)
Goodwill	212

The book values, determined in compliance with the IFRS as at 31 March 2021, of the company purchased and the amounts as at the same date of each class of asset, liability and potential liability of the purchased company are illustrated below:

(€thousand)	Book value of acquired company	Activities and liabilities acquired
Tangible and intangible assets	39	142
Other non-current assets	46	46
Inventories	1,034	1,034
Trade receivables	990	990
Cash and cash equivalents	136	136
Other current activities	460	460
Employee benefits	(106)	(106)
Provisions for risks and costs	(8)	(8)
Current trade liabilities	(2,523)	(2,523)
Other current payables	(212)	(327)
Total activities and liabilities acquired	(144)	(156)

The company operates through the lease of the "Chef Seafood" brand, mainly for customers in the foosdservice segment on the Emilia-Romagna riviera, served by the distribution centre in San Clemente (RN).

Corporate aggregations realised after the closing of the half-year

There are no business combinations finalized after the closing of the half-year.

4. Other intangible assets

Below there are the movements of the item in the half-year:

(€thousand)	Balance at 30.06.21	Purchases/ other movements	Net decreases	Depreciation	Change in consolidation	Balance at 31.12.20
Patents	1,209	128	0	(214)	133	1,162
Concessions, licenses, trademarks and similar rights	12	0	0	(1)	1	12
Intangible assets under development and advances	1,351	105	0	0	0	1,246
Other intangible assets	0	0	0	0	0	0
Total Other Intangible Fixed Assets	2,572	233	0	(215)	134	2,420

The increases in the half year, as well as the consolidation of the companies Antonio Verrini S.r.l. and Chef S.r.l., are mainly related to the purchase of new licenses, software and applications, partly entered into operation during the half year, partly still in the implementation phase as of 30 June 2021 and therefore shown under the item "Intangible assets development and advance ".

5. Equity investments evaluated using the Net Equity Method

As at 30 June 2021 the item amounted to 1,799 thousand Euros and represents the valuation of the 34% holding in the company Jolanda de Colò S.p.A..

6. Non-current financial receivables

As at 30 June 2021, this item amounted to 1,476 thousand Euros (1,070 thousand Euros as at 31 December 2020) and mainly includes 175 thousand Euros for the quota beyond the year of interest-bearing financial receivables from commercial partner companies and the quota beyond the year of receivables from transporters for the sale of the transport vehicles used to move MARR goods and 1,109 thousand Euros relating to the portion expiring beyond one year of loans granted in 2020 to sales agents following the impacts resulting from the Covid-19 pandemic on the hotel and restaurant sector, therefore in support and support of the MARR sales network. The rest of the item mainly refers to guarantee deposits.

7. Deferred tax assets and deferred tax liabilities

As at 30 June 2021 this item amounted to a positive net balance of 1,208 thousand Euros mainly related to the allocation of taxed funds. On the basis of the approved multi-year plans, the management considers these receivables recoverable with future taxable income.

8. Other non-current assets

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Non-current trade receivables	10,524	15,700
Accrued income and prepaid expenses	3,636	3,952
Other non-current receivables	21,200	25,242
Total Other non-current assets	35,360	44,894

The "Non-current trade receivables", amounting to 10,524 thousand Euros (of which 1,535 thousand Euros was with an expiry date of over 5 years) mainly concerns agreements and delays in payment defined with the customers.
The prepaid expenses are mainly linked to promotional contributions with clients of a multi-annual nature (the amount with expiring date over 5 years is estimated at around 1,751 thousand Euros).
The item "Other non-current receivables" includes, in addition to receivables from State coffers for credit losses of ex-clients of 6,210 thousand Euros, also receivables from suppliers for 14,536 thousand Euros (18,711 thousand Euros as at 31 December 2020).

Current assets

9. Inventories

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Finished goods and goods for resale		
Foodstuff	43,763	31,979
Meat	12,613	10,689
Seafood	96,229	82,869
Fruit and vegetables	203	156
Hotel equipment	2,404	2,409
	155,212	128,102
provision for write-down of inventories	(1,368)	(1,368)
Goods in transit	9,726	5,239
Packaging	2,799	2,608
Total Inventories	166,369	134,581

The inventories are not conditioned by obligations or other property rights restrictions.

The increase in stocks compared to 31 December 2020 is the effect - as well as the usual seasonality and consolidation of the Antonio Verrini S.r.l. and Chef S.r.l., whose warehouse value as at 30 June 2021 was respectively 3,440 thousand Euros and 1,282 thousand Euros - of storage policies aimed at seizing specific commercial opportunities in the frozen fish product market.

With reference to the movements in the half year, as shown below, the amount shown in the item "Change in consolidation" represents the amount of inventories on the date of acquisition of the new subsidiary Chef S.r.l..

(€thousand)	Balance at 30.06.21	Other Change	Change in consolidation	Balance at 31.12.20
Finished goods and goods for resale	155,212	26,076	1,034	128,102
Goods in transit	9,726	4,487	0	5,239
Packaging	2,799	191	0	2,608
	167,737	30,754	1,034	135,949
Provision for write-down of inventories	(1,368)	0	0	(1,368)
Total Inventories	166,369	30,754	1,034	134,581

10. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Financial receivables from Parent Companies	4,567	5,794
Receivables from loans granted to third parties	1,754	626
Total Current financial receivables	6,321	6,420

Receivables for loans to third parties, all interest-bearing, mainly refer to receivables from road hauliers for the sale of the transport vehicles with which they move MARR goods.
It must be noted that the *Financial receivables from Parent Companies* are interest-bearing (at rates in line with market rates).

11. Financial instruments / derivatives

The amount as at 30 June 2021, classified for 2,730 thousand Euros (1,818 thousand Euros as at 31 December 2020) in the current assets, represents the positive fair value of the two Cross Currency Swap contracts stipulated by the Parent Company to hedge the risk of changes in the US dollar to Euro exchange rate with regard to the private placement bond in US dollars finalised in July 2013.
As also highlighted in the Directors' Report, it must be pointed out that the underlying bond loan was extinguished in advance on 23 July 2021.
As a result of the advance extinction of the bond loan, the amount as at 30 June 2021 has been reclassified in the current assets, while it had been included in the non-current assets as at 31 December 2020. Furthermore, on 23 July 2021, the two Cross Currency Swap contracts were extinguished together with the repayment of the correlated bond loan.

The overall change as at 30 June 2021 compared to the end of the previous year is linked to the period trends in the US dollar to Euro exchange rate.

12. Current trade receivables

This item is composed of:

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Receivables from customers	398,920	323,061
Trade receivables from Parent Companies	56	2,682
Total current trade receivables from customers	398,976	325,743
Bad debt provision	(45,256)	(42,593)
Total net current trade receivables from customers	353,720	283,150

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Trade receivables from customers	393,859	319,701
Receivables from Associated Companies	15	0
Receivables from Affiliated Consolidated Companies by the Cremonini Group	5,046	3,360
Receivables from Affiliated not Consolidated Companies by the Cremonini Group	0	0
Total current trade receivables	398,920	323,061

The receivables from customers due within the year, deriving in part from normal sales operations and in part from the supply of services, have been valued on the basis of that indicated above. Receivables are shown net of bad debt provision of 45,256 thousand Euros, as highlighted in the subsequent movement.

The receivables "from affiliated companies consolidated by the Cremonini Group" (5,046 thousand Euros) are analytically outlined in the table exposed in the Directors' Report and in the Appendix 2 oh these Explanatory Notes. These receivables are all of a commercial nature.

The item Trade receivables is net of a credit transfer program on an ongoing and without recourse basis following a contract initially signed in May 2014 and subsequently renewed in December 2018 for a further period of 5 years. As at 30 June 2021, the outstanding transferred is equal to 51,904 thousand Euros (32,711 thousand Euros as at 31 December 2020).

Receivables in foreign currencies have been adjusted to the exchange rate valid on 30 June 2021.

On the closing date of the financial statements, the receivables from clients are analysed to verify the existence of indicators of eventual losses in value. In order to carry out this analysis, the Group assesses whether there are expected losses in the receivables from clients throughout the duration of such receivables and takes into consideration its historical experience with regard to losses in receivables, grouped together in homogeneous classes, and corrected on the basis of specific factors of the nature of the Group receivables and the economic context. The receivables from clients are written down when there is no rational expectation that they will be recovered and this write-down is recognized in the income statement under "amortizations and write-downs".

During 2021, the provision for the write-down of receivables recorded the following movements and the determination of the period allocation reflects the exposure of the receivables – net of the write-down provision – at their presumable realisation value.

(€thousand)	Balance at 30.06.21	Increases	Other movements	Decreases	Consolidation change	Balance at 31.12.20
- Tax-deductible provision	1,097	1,091	0	(1,768)	5	1,769
- Taxed provision	44,155	5,200	0	(1,865)	0	40,820
- Provision for interest for late payments	4	0	0	0	0	4
Total Provision for write-down of Receivables from customers	45,256	6,291	0	(3,633)	5	42,593

The determination of the provision for write-down of receivables as at 30 June 2021 is the result of the careful credit management promptly modulated on the basis of credit merit and which has enabled a constant, albeit at times minimal, cash flow to be maintained. The management has evaluated the adoption of a prudential conduct as regards the allocation for the half-year, in order to take into consideration the financial difficulties of operators in the sector in a market context that has only just restarted and it is hoped will return to full levels of activity.

13. Tax assets

This item amount to 5,424 thousand Euros (6,277 thousand Euros as at 31 December 2020) and mainly includes the following:

- 3,301 thousand Euros represented by the residual tax receivables (mainly from "holiday bonuses") transferred primarily during the course of the previous year to the Parent Company from customers for the payment of its own trade receivables, in the framework of a MARR strategy aimed at customer closeness in support of operators in the Italian tourism sector;
- 273 thousand Euros, of which 247 thousand Euros (attributed to the income statement on the basis of the useful lifetime of the assets) representing the tax receivables accrued by the Group on investments in instrumental goods ex Law 160/2019 and Law 178/2020 and 26 thousand Euros representing advertising investments;
- 653 thousand Euros in VAT receivables relating to the deductibility of VAT from customs duty, included in the accounts by the end of the half year;
- 313 thousand Euros representing advance IRAP payments.

14. Cash and cash equivalents

The balance represents the liquid assets available and the existence of ready cash and values on closure of the period.

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Cash and Cheques	4,517	3,633
Bank and postal accounts	291,937	247,858
Total Cash and cash equivalents	296,454	251,491

With regard to the changes to the net financial position, refer to the cash flows statement for the first half of 2021, instead for its composition, refer to the comments in the paragraph "Analysis of the Net Financial Position" in Directors' Report.

15. Other current assets

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Accrued income and prepaid expenses	2,087	590
Other receivables	37,114	39,018
Total Other current assets	39,201	39,608

The item "Other receivables" is composed as follow.

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Guarantee deposits	149	131
Other sundry receivables	2,520	1,601
Provision for write-down of receivables from others	(5,471)	(5,484)
Receivables from social security institutions	1,270	932
Receivables from agents	2,129	1,935
Receivables from employees	69	55
Receivables from insurance companies	303	803
Advances and deposits	473	590
Advances to suppliers and supplier credit balances	35,333	37,971
Advances to suppliers and supplier credit balances from Associates	339	484
Total Other current receivables	37,114	39,018

The item "Advances to suppliers and supplier credit balances" includes, in addition to the payments made to foreign suppliers (non-EU) for the purchase of goods with "f.o.b. clause" or advance payment on next fishing campaigns (for 21,153 thousand Euros; 18,397 thousand Euros as at 31 December 2020), also receivables for contributions to be received from suppliers totalling 9,172 thousand Euros (see the comments made in the paragraphs 29 "Other revenues" and 30 "Purchase of goods for resale and consumables").

Receivables in foreign currencies have been adjusted to the exchange rate valid on 30 June 2021.

The "Provision for write-down of receivables from others" amounts to 5,471 thousand Euros and refers to receivables relates to agents for 1,100 thousand Euros and for the remainder to receivables from suppliers.
During the half-year it showed the following changes:

(€thousand)	Balance at 30.06.21	Increases	Decreases	Consolidation change	Balance at 31.12.20
- Provision for Receivables from Others	5,471	750	(763)	0	5,484
Total Provision for write-down of Receivables from Others	5,471	750	(763)	0	5,484

LIABILITIES

16. Shareholders' Equity

As regards the changes within the Shareholders' Equity, refer to the statement of changes in the shareholders' equity.

Share Capital
The Share Capital as at 30 June 2021, amounting to 33,263 thousand Euros, is represented by 66,525,120 MARR S.p.A. ordinary shares, entirely subscribed and paid up, with regular benefit, of a nominal value of 0.50 Euros.

Share premium reserve
As at 30 June 2021 this reserve amounts to 63,348 thousand Euros and does not appear to have changed since 31 December 2020.

Legal reserve
This Reserve amounts to 6,652 thousand Euros and does not appear to have changed since 31 December 2020.

Shareholders' contributions on account of capital
This Reserve did not change in 2021 and amounts to 36,496 thousand Euros.

Reserve for transition to IAS/IFRS
This is the reserve, amounting to 7,292 thousand Euros, set up following the first time adoption of the international accounting standards.

Extraordinary Reserve
This Reserve amounts to 170,460 thousand Euros and does not appear to have changed since 31 December 2020.

Cash flow hedge reserve
As at 30 June 2021, this item amounted to 185 thousand Euros (134 thousand Euros as at 31 December 2020) and was linked to the stipulation both of hedging contracts for interest and exchange rates undertaken for the specific hedging of a loan in foreign currency, in addition to interest rate hedging contracts started for the specific hedging of variable-rate loan agreements.
As regards the movements in this reserve and the other profits/losses in the Statement of Comprehensive Income, see that described in the Consolidated Statement of Changes in the Shareholders' Equity and in paragraph 39 – "Other profits/losses", as well as in paragraph 11 and 24 in these explanatory notes.

Reserve for exercised stock option
This reserve has not changed during the course of the year, as the plan was concluded in April 2007 and amounted to 1,475 thousand Euros.

Reserve IAS19
As at 30 June 2021, this reserve amounted to a negative value of 811 thousand Euros and includes the value, net of the theoretical tax effect, of the actuarial profits and losses regarding the severance fund evaluation, as established by the amendments to IAS 19 – "Employee benefits", applicable to business years beginning on 1st January 2013 or later. These profits/losses have been included in the shareholders' equity, consistently with that established by the IFRS, and the changes during the year have been highlighted in the overall consolidated economic result, as envisaged by IAS 1 revised, applicable since 1 st January 2009.

Whit regard to the reserves in taxation suspension (ex. Art. 55 DPR 917/86 and 597/73 reserve), amounting to 1,447 thousand Euros as at 30 June 2021, the relevant deferred tax liabilities have been accounted for.

On 28 April 2021 the Shareholders' meeting approved the MARR S.p.A. financial statements as at 31 December 2020 and decided to allocate to carry forward the loss for the year.

Non-current liabilities

17. Non-current financial payables

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Payables to banks - non-current portion	181,049	204,254
Payables to other financial institutions - non-current portion	0	26,812
Payables for the purchase of quotas or shares	2,000	0
Total non-current financial payables	183,049	231,066

The decrease in long-term payables to banks is correlated to the ordinary progress of the plans for the amortisation of the ongoing loans and the payment pf the relative expiring instalments.

As already described in the Directors' Report, it must be pointed out that on 7 January 2021, 80 million Euros was paid out concerning the pool loan signed on 30 December 2020 with BNL and the Cassa Depositi e Prestiti. This loan is hedged by a SACE guarantee, as envisaged in the so-called "Liquidity Decree", no. 23 of 08/04/2021, and has a duration of 45 months (12 pre-amortisation).

As regards the "Payables to other financial institutions – non-current portion", it must be noted that as a result of the advance extinction of the private placement bond in US dollars on 23 July 2021, the relative residual payables as at 30 June 2021 have been classified in the "Payables to other financial institutions – current portion".
The advance extinction involved the payment of 2,880 thousand Euros as a result of the make whole clause, included as at 30 June 2021 among the financial charges and of a non-recurrent nature, and the extinction of the two Cross Currency Swap contracts stipulated to hedge the risk of changes in the US dollar to Euro exchange rate.

The "Payables for the purchase of quotas or shares" refers to the inclusion in the accounts of the 2 million Euros earn out envisaged in the agreement for the purchase of Antonio Verrini & Figli. The agreement envisages that the Parent Company must pay the additional payment of 2 million Euros when specific objectives in terms of returns and EBITDA are achieved during the year closing on 31 December 2022 by the newly incorporated company Antonio Verrini S.r.l., which has taken over the activities of Antonio Verrini & Figli S.p.A..

The table below provides a detailed description of the financial covenants effective at the end of the half-year and the related loans.

			Covenants			Reference Date	
Credit institutes	Due date	Residual value	PFN/ Net Equity	PFN/ EBITDA	EBITDA/ Net financial charges	30 June	31 December
Pool BNP Paribas	30/06/2022	18,548	< 2,0	< 3,5	> 4,0	✔	✔
BNL	30/09/2023	29,984	=< 2,0	=< 3,0	>= 4,0	✔	✔
Credito Valtellinese	05/01/2024	7,519	=< 2,0	=< 3,5			✔
Iccrea in Pool	21/09/2021	5,652	=< 2,0	=< 3,0			✔
Banca Popolare dell'Emilia Romagna	21/12/2021	1,666	=< 2,0	=< 3,0			✔
Credem	18/07/2021	627		=< 3,15	>= 14,5		✔
Ubi Banca	19/07/2021	1,111	=< 1,5	=< 3,0			✔
Mediobanca	30/04/2024	23,325	< 1,5	< 3,0	> 4,0	✔	✔
CaixaBank	31/07/2021	21,870	=< 2,0	=< 3,5			✔
Intesa - Tranche A	24/02/2023	15,975	=< 2,0	=< 3,5	>= 4,0		✔
Intesa - Tranche B	24/02/2023	29,985	=< 2,0	=< 3,5	>= 4,0		✔
Unicredit	11/04/2022	8,328	=< 2,0	=< 3,0	>= 4,0	✔	✔
Unicredit	13/05/2022	29,988	=< 2,0	=< 3,0	>= 4,0	✔	✔
Crédit Agricole	09/04/2026	8,335	=< 2,0	=< 4,0			✔
Ubi Banca	20/05/2023	20,018	=< 2,0	=< 3,0			✔
BNL e Cassa depositi e Prestiti	30/09/2024	79,811	=< 2,0	=< 3,0	>= 4,0		✔
		302,742					
Private Placement Bond - 10 years	23/07/2021	30,644	< 2,0	< 3,5	> 4,0	✔	✔
		30,644					

The comparison of the book values and related fair values of the non-current financial payables is as follows:

(€thousand)	Book Value		Fair Value	
	2021	2020	2021	2020
Payables to banks - non-current portion	181,049	204,254	180,599	203,635
Payables to other financial institutions - non-current portion	0	26,812	0	26,188
	181,049	231,066	180,599	229,823

The difference between the fair value and the book value lies in the fact that the fair value is obtained by discounting back future cash flows, while the book value is determined by the amortised cost method.

18. Non-current lease liabilities (IFRS16)

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Financial payables for leases - Right of use (1-5 years)	25,778	24,030
Financial payables for leases - Right of use (over 5 years)	25,508	20,904
Total payables for leases - Right of use - Non-current portion	51,286	44,934

This item includes the financial payables relating mainly to the multi-annual lease contracts for the facilities in which some of the distribution centres of the Parent Company and the subsidiary New Catering, SìFrutta, Antonio Verrini S.r.l. and Chef S.r.l. are located.
The liability has been recorded in compliance with that provided by the new IFRS16, effective as of 1st January 2019, and is calculated as the current value of the future lease payments, actualised at a marginal interest rate which, on the basis of the multi-annual contractual duration for each individual contract, has been included in the range of between 1% and 3%.

19. Employee benefits

The employment contract applied is that of companies operating in the "Tertiary, Distribution and Services" sector.
As at 30 June 2021 this item amounted to 8,511 thousand Euros, with an increase compared to 31 December 2020 (7,275 thousand Euros) related to the first consolidation of the new subsidiaries Antonio Verrini S.r.l. and Chef S.r.l..

20. Provisions for non-current risks and charges

(€thousand)	Balance at 30.06.21	Other movements	Provisions	Uses	Consolidation change	Balance at 31.12.20
Provision for supplementary clients severance indemnity	6,085	5	241	0	35	5,804
Provision for specific risk	1,584	0	312	(23)	0	1,295
Total Provisions for non-current risks and charges	7,669	5	553	(23)	35	7,099

The provision for supplementary clients severance indemnity has been allocated in compliance with IAS 37 on the basis of a reasonable estimate of probable future liabilities, considering the available elements, of the probable liability related to the future termination of relations with agents in force at 30 June 2021.

It should be noted that the item "Consolidation change" shows the increases relating to the provision for supplementary clients severance indemnity deriving from the consolidation of the two new companies acquired Antonio Verrini S.r.l. and Chef S.r.l..

The "Provision for specific risks" covers probable liabilities connected to certain ongoing legal disputes and its decrease is related to the settlement of some of these.

The legal disputes ongoing with the Customs authorities (which arose in 2007 concerning the payment of preferential customs duties on certain seafood products and for which, despite the appeals by the Company being rejected, the judges for the initial proceedings ascertained the Company's complete extraneousness to the illegalities claimed, as they were exclusively attributable to its suppliers) were definitively settled in favour of the Company in sentence no. 110/2020 issued by the Tuscany Regional Tax Commission on 19 April 2021.

Potential liabilities.
It must be noted that three Inspection Reports were notified to the Company, on the basis of the solidarity restriction ex Legislative Decree 276/2003, respectively on 05.03.2021 by the INPS office in Milan and on 1st April 2021 and 23 April 2021 by the INPS office in Bologna, concerning the failure to pay contributions and/or undue remunerations charged to cooperative service companies as associates of two service contract companies which ceased relations with MARR in 2019 and in April 2021.
Supported by the opinion of its legal advisors who analysed the available documentation, MARR believes that these will not result in any significant economic prejudice against the Company.

21. Other non-current liabilities

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Other non-current liabilities	1,808	1,560
Other non-current accrued expenses and deferred income	240	308
Total other non-current payables	2,048	1,868

The item "Other non-current liabilities" is represented by security deposits paid by transporters.
This item "Other non-current accrued expenses and deferred income" represents the quota over the year for deferred financial income from customers.

There is no accrued income and prepaid expenses or other liabilities with expiring date over 5 years.

Current liabilities

22. Current financial payables

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Payables to banks	215,323	166,809
Payables to other financial institutions	31,278	653
Payables for the purchase of quotas or shares	1,051	0
Total Current financial payables	247,652	167,462

The increase in the current portion of payables to banks is correlated to the ordinary progress of the plans for the amortisation of the ongoing loans and the payment pf the relative expiring instalments.

The balance of the payables to other financial institutions includes primarily the residual payables concerning the private placement bond in US dollars stipulated by the Parent Company in July 2013 and originally expiring in July 2023.
As a result of the decision by the Parent Company to extinguish this latter portion of the loan in advance, with repayment occurring on 23 July 2021, the amount as at 30 June 2021 has been reclassified among the "Current financial payables". The payables of 2,880 thousand Euros resulting from the make whole clause for advance termination exercised as at 30 June 2021 were also included in the accounts as at the same date. It must be noted that specific Cross Currency Swap contracts were ongoing as at 30 June 2021 to hedge the risk of changes in the US dollar to Euro exchange rate, classified among the current assets.

The book value of the short-term loans is the same as the fair value, as the impact of discounting back is not significant.

23. Current lease liabilities (IFRS16)

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Financial payables for leases - Right of use	9,957	8,528
Total Payables for leases - Current portion	9,957	8,528

This item includes the financial payables expiring within one year and mainly correlated to the multi-annual lease contracts for the facilities housing the branches of the Parent Company and the subsidiaries New Catering, SiFrutta, Antonio Verrini S.r.l. and Chef S.r.l..
As also stated in paragraph 18 with regard to the non-current portion of the financial payables for leases, it must be pointed out that the liability has been recorded consistently with that envisaged by IFRS16, effective since 1st January 2019, and is determined as the current value of the future lease payments, actualised at a marginal interest rate which, on the basis of the contractual duration envisaged for each single contract, has been included in the range of between 1% and 3%.

24. Financial instruments / derivatives

The amount as at 30 June 2021, equal to 25 thousand Euros, concerns the fair value of the Interest Rate Swap contract stipulated with UniCredit in May 2019.

This transaction is included in the accounts to hedge the cash flows.

25. Current tax liabilities

This item amounts to 4,098 thousand Euros (1,792 thousand Euros as at 31 December 2020).
For MARR S.p.A., because of the ordinary terms of ascertainment and the currently pending tax disputes holding firm, the 2016 fiscal year and following fiscal years are still to be ascertained by the tax authorities.

This item mainly includes the following:

- IRES and IRAP payables accrued in the first half of 2021, amounting to 2,017 thousand Euros;
- payables to the State for dependent workers and external collaborators IRPEF, amounting to 1,334 thousand Euros;
- payables to the State for VAT due from Antonio Verrini S.r.l. and Chef S.r.l., totalling 230 thousand Euros;
- payables for other taxes totalling 517 thousand Euros.

26. Current trade liabilities

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Payables to suppliers	303,785	225,067
Trade payables to Parent Companies	2,743	166
Payables to Associated Companies consolidated by the Cremonini Group	35,159	9,346
Payables to Associated Companies	11	0
Total current trade liabilities	341,698	234,579

The current trade liabilities was mainly refer to the purchase of goods for sale and payables to sales agents. Was also included "Payables to Associated Companies consolidated by the Cremonini Group" for 35,159 thousand Euros, "Trade payables to Parent Companies" for 2,743 thousand Euros and "Payables to Associated Companies" for 11 thousand Euros and the analytics detail of which are explain in the Appendix 2 of these Explanatory Notes.

27. Other current liabilities

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Accrued income and prepaid expenses due	117	188
Other payables	14,868	11,732
Total other current liabilities	14,985	11,920

The item "*Accrued income and prepaid expenses due*" includes the deferred interest income to customers for 32 thousand Euros.

The item "Other payables" mainly includes the following items:
- advance payments and other payables from clients amounting to 2,805 thousand Euros;
- payables to personnel for emoluments amounting to 7,841 thousand Euros, including the current remuneration to be paid as at 30 June 2021 and accruals for holidays / leave and additional months accrued;
- payables to social security institutes for 2,765 thousand Euros.

Guarantees, securities and commitments

These are guarantees granted by both third parties and our companies for debts and other obligations.

Guarantees (totalling 14,814 thousand Euros).
These refer to:
- guarantees granted on behalf of MARR S.p.A. in favour of third parties, amounting to 9,964 thousand Euros, are bank guarantees granted on our request by credit institutes to guarantee the correct and punctual execution of tender and other contracts of an annual and multi-annual duration;
- bank guarantees granted by MARR S.p.A. in favour of financial institutions in the interest of the subsidiaries. As at 30 June 2021, this item amounted to 4,950 thousand Euros and refers to the credit lines granted to the associate companies, as below:

(€thousand)	Balance at 30.06.21	Balance at 31.12.20
Guarantees		
AS.CA S.p.A.	3,000	5,600
SiFrutta S.r.l.	1,950	1,950
Total Guarantees	4,950	7,550

Other risks and commitments

This item includes for 8,679 thousand Euros, the value of credit letters issued by certain credit institutes to guarantee obligations undertaken by the Parent Company with some foreign suppliers.

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

28. Revenues

Revenues are composed of:

(€thousand)	30.06.21 (6 months)	30.06.20 (6 months)
Net revenues from sales - Goods	529,874	434,319
Revenues from Services	53	57
Advisory services to third parties	59	61
Manufacturing on behalf of third parties	6	12
Rent income (typical management)	6	13
Other services	74	760
Total revenues	530,072	435,222

Revenues from sales in the first half of 2021 amounted to 530.0 million Euros, compared to 435.2 million in the same period of the previous year.

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

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

(€thousand)	30.06.21 (6 months)	30.06.20 (6 months)
Italy	490,742	389,448
European Union	24,656	20,000
Extra-EU countries	14,674	25,774
Total	530,072	435,222

29. Other revenues

The Other revenues are broken down as follows:

(€thousand)	30.06.21 (6 months)	30.06.20 (6 months)
Contributions from suppliers and others	10,375	7,660
Other Sundry earnings and proceeds	1,121	3,740
Reimbursement for damages suffered	211	179
Reimbursement of expenses incurred	156	183
Recovery of legal taxes	28	10
Capital gains on disposal of assets	15	112
Total other revenues	11,906	11,884

The item "Contributions from suppliers and others" mainly consists of contributions obtained from suppliers for the commercial promotion of their products with our customers; for an analysis of their trend see the Directors' Report on management performance.

The item "Other sundry" decreases mainly due to the inscription as at 30 June 2020 of non-recurrent income related to the receipt of credit that had been among the losses in previous years as a result of a settlement procedure (2,320 thousand Euros).

30. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	30.06.21 (6 months)	30.06.20 (6 months)
Purchase of goods	456,327	345,288
Purchase of packages and packing material	1,628	1,313
Purchase of stationery and printed paper	333	243
Purchase of promotional and sales materials and catalogues	40	94
Purchase of various materials	173	200
Fuel for industrial motor vehicles and cars	204	124
Total purchase of goods for resale and consumables	458,705	347,262

With regard to the trends in the cost of the purchase of goods for marketing, see the Directors' Report and the related comments on the gross margin.
As highlighted in the preceding paragraph, the "Purchase of goods" benefits from 3,133 thousand Euros (2,034 thousand Euros in the first half of 2020) for the portion of the contribution from suppliers classifiable as end of year bonuses.

31. Personnel costs

As at 30 June 2021 the item amounts to 16,326 thousand Euros (13,009 thousand Euros as at 30 June 2020) and includes all expenses for employed personnel, including holiday and additional monthly salaries as well as related social security charges, in addition to the severance provision and other costs provided contractually.

The increase in this item is primarily due to the cost of employment of the companies Antonio Verrini S.r.l. and Chef S.r.l. (net of which the average workforce for the period would be less than that for the same period last year), in addition, given the different market situation, to the lesser use of the social safety nets made available by the Government and less recourse to paid leave. The increase due to the acquisition of Antonio Verrini S.r.l. and Chef S.r.l. amounted to about 1.4 million Euros.

32. Amortizations, depreciations and provisions

This item is composed of:

(€thousand)	30.06.21 (6 months)	30.06.20 (6 months)
Depreciation of tangible assets	3,453	3,397
Amortization of intangible assets	215	204
Depreciation of right of use	4,879	4,434
Adjustment to provision for supplementary clientele severance indemnity	241	432
Provision for risk and loss fund	312	0
Total amortization, depreciation and provisions	9,100	8,467

33. Losses due to impairment of financial assets

This item is composed of:

(€thousand)	30.06.21 (6 months)	30.06.20 (6 months)
Allocation of taxable provisions for bad debts	5,951	7,518
Allocation of non-taxable provisions for bad debts	1,090	940
Total Losses due to impairment of financial assets	7,041	8,458

The provision made against the continuing uncertainty on the market is down compared to that made in the first half of 2020, in connection with a reduction in the risk of default on trade receivables from previous years.

34. Other operating costs

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

(€thousand)	30.06.21 (6 months)	30.06.20 (6 months)
Operating costs for services	73,452	63,096
Operating costs for leases and rentals	214	127
Operating costs for other operating charges	889	731
Total other operating costs	74,555	63,954

The operating costs for services mainly include the following items: sale expenses, distribution and logistics costs for our products for 59,066 thousand Euros (49,565 thousand Euros in the first half of 2020), utility costs for 5,128 thousand Euros (3,987 thousand Euros in the first half of 2020), handling costs for 1,643 thousand Euros (1,493 thousand Euros in the first half of 2020), third party works for 1,353 thousand Euros (1,582 thousand Euros in the first half of 2020) and maintenance costs amounting to 2,334 thousand Euros (2,469 thousand Euros in the first half of 2020).

The costs for the leases and rentals totalled 214 thousand Euros (127 thousand Euros in the same period of 2020) and represents the lease contracts not within the scope of application of IFRS16 accounting standard.

The operating costs for other operating charges mainly include the following items: “other indirect duties, taxes and similar costs” for 356 thousand Euros, expenses for credit recovery for 88 thousand Euros and “local council duties and taxes” for 150 thousand Euros.

35. Financial income and charges

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

(€thousand)	30.06.21 (6 months)	30.06.20 (6 months)
Financial charges	6,133	3,118
Financial income	(306)	(643)
Foreign exchange (gains)/losses	(535)	13
Total financial (income) and charges	5,292	2,488

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

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

36. Income (charge) from investment at equity value

This item amounts to a loss of 154 thousand Euros and represents the partial depreciation of the investment in the associated company Jolanda de Colò S.p.A., due to the loss accrued in the period.

37. Taxes

(€thousand)	30.06.21 (6 months)	30.06.20 (6 months)
Ires-Ires charge transferred to Parent Company	1,011	290
Irap	649	57
Previous years tax	0	0
Net provision for deferred tax liabilities	(1,142)	(5,368)
Total taxes	518	(5,021)

38. Earnings / (losses) per share

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

(Euros)	30.06.21 (6 months)	30.06.20 (6 months)
Basic Earnings Per Share	0.02	(0.21)
Diluted Earnings Per Share	0.02	(0.21)

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

Earnings:

(€thousand)	30.06.21 (6 months)	30.06.20 (6 months)
Profit/(Loss) for the period	1,131	(14,013)
Minority interests	0	0
Profit/(Loss) used to determine basic and diluted earnings per share	1,131	(14,013)

Number of shares:

(number of shares)	30.06.21 (6 months)	30.06.20 (6 months)
Weighted average number of ordinary shares used to determine basic earning per share	66,525,120	66,525,120
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	66,525,120	66,525,120

[iii] Basic Earning Per Share = (Profit/(Loss) for the period in Euro) / (Weighted average number of ordinary shares)
Diluted Earning Per Share = (Profit/(Loss) for the period in Euro) / (Weighted average number of ordinary shares with dilution effect)

39. Other profits/losses

The other profits/losses accounted for in the consolidated statement of other comprehensive income consist of the effects produced and reflected in the period with reference to the following items:

- the effective portion of the exchange rate hedging transactions undertaken for the private placement bond in US dollars stipulated in July 2013; the effective portion of the interest rate hedging transactions undertaken for specific variable rate loans. The value indicated, amounting to total profits of 51 thousand Euros in the first half of 2021 (1,046 thousand Euros in the same period of last year) is recorded in the accounts net of the fiscal effect (which amounted to about -16 thousand Euros as at 30 June 2021).

Net financial position

The following table represents the trend in Net Financial Position:

	MARR Consolidated (€thousand)	*30.06.21*	*31.12.20*	*30.06.20*
A.	Cash	4,517	3,633	3,754
	Bank accounts	291,920	247,842	171,154
	Postal accounts	18	16	30
B.	Cash equivalent	291,938	247,858	171,184
C.	**Liquidity (A) + (B)**	**296,455**	**251,491**	**174,938**
	Current financial receivable due to Parent company	4,567	5,794	15,621
	Current financial receivable due to related companies	0	0	0
	Others financial receivable	1,754	626	774
D.	**Current financial receivable**	**6,321**	**6,420**	**16,395**
E.	**Current derivative/financial instruments**	**2,730**	**0**	**1,322**
F.	Current Bank debt	(60,874)	(66,684)	(47,360)
G.	Current portion of non current debt	(154,449)	(100,125)	(157,080)
	Financial debt due to Parent Company	0	0	0
	Financial debt due to Related Companies	0	0	0
	Other financial debt	(32,355)	(659)	(39,246)
H.	Other current financial debt	(32,355)	(659)	(39,246)
I.	Current lease liabilities (IFRS16)	(9,957)	(8,528)	(8,568)
J.	**Current financial debt (F) + (G) + (H) + (I)**	**(257,635)**	**(175,996)**	**(252,254)**
K.	**Net current financial indebtedness (C) + (D) + (E) + (J)**	**47,871**	**81,915**	**(59,599)**
L.	Non current bank loans	(181,049)	(204,254)	(172,163)
M.	Non-current derivative/financial instruments	0	1,818	4,751
N.	Other non current loans	(2,000)	(26,861)	0
O.	Non-current lease liabilities (IFRS16)	(51,286)	(44,934)	(35,622)
P.	**Non current financial indebtedness (L) + (M) + (N) + (O)**	**(234,335)**	**(274,231)**	**(203,034)**
Q.	**Net financial indebtedness (K) + (P)**	**(186,464)**	**(192,316)**	**(262,633)**

For an analysis of the main changes, please refer to what is reported in the attached Directors' Report.

° ° °

Rimini, 3 August 2021

The Chairman of the Board of Directors

Ugo Ravanelli

Appendices

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

- Appendix 1 – List of equity investments, including those falling within the scope of consolidation as at 30 June 2021.
- Appendix 2 – Table summarising the relations with parent companies, subsidiaries and associates at 30 June 2021.
- Appendix 3 – Reconciliation of liabilities deriving from financing activities as at 30 June 2021 and at 30 June 2020.
- Appendix 4 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2020.

Appendix 1

MARR GROUP
LIST OF EQUITY INVESTMENTS INCLUDING THOSE FALLING WITHIN THE SCOPE OF CONSOLIDATION AT 30 JUNE 2021

Company	Headquarters	Share capital (€thousand)	Direct control Marr S.p.A.	Indirect control	
				Company	Share held
COMPANIES 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 (Spain)	600	100.0%		
New Catering S.r.l.	Santarcangelo di R. (RN)	34	100.0%		
SiFrutta S.r.l.	Santarcangelo di R. (RN)	210	100.0%		
Antonio Verrini S.r.l.	Santarcangelo di R. (RN)	250	100.0%		
Chef S.r.l. unipersonale	Santarcangelo di R. (RN)	100	100.0%		
INVESTMENTS VALUED AT EQUITY:					
- Associates:					
Jolanda De Colò S.p.A.	Palmanova (UD)	846	34.0%		
EQUITY INVESTMENTS VALUED AT COST:					
- Other companies:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	9,697	1.66%		

Appendix 2

RELATIONS WITH PARENT COMPANIES, SUBSIDIARIES, REALATED PARTIES AND ASSOCIATES AT 30 JUNE 2021

	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	Services	Leases and rental	Other operating charges	Financial charges
From Parent Companies:															
Cremonini S.p.A. (*)	57	13	4,567	2,743	1,717		5			13		610			1
Total	57	13	4,567	2,743	1,717	0	5	0	0	13	0	610	0	0	1
From unconsolidated subsidiaries:															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies:															
Jolanda De Colò	15			11			5								
Total	15	0	0	11	0	0	5	0	0	0	0	0	0	0	0
From Affiliated Companies (**)															
Cremonini Group															
Caio S.r.l.	3						4								
Casa Maioli S.r.l.	24						36								
Castelfrigo S.r.l.				36							34				
Chef Express S.p.A.	559	9					1,419					10			
Fiorani & C. S.p.a.		149		4,682					157		6,852				
Global Service S.r.l.		29		715								565			
Guardamiglio S.r.l.	5						17								
Inalca Food and Beverage S.r.l.	952	1					3,486	76			5	1			
Inalca S.p.a.		54		28,443			5		133		35,174	8			
Italia Alimentari S.p.a.	2	66		1,283			2		63		1,622				
Roadhouse Grill Roma S.r.l.	267						713								
Roadhouse S.p.A.	3,129				5		6,066	4							
W Italia S.r.l.	104						123								
From Affiliated Companies															
Le Cupole S.r.l.						3,816									58
Antonio Verrini & Figli S.p.A.						2,489									18
Time Vending S.r.l.		30							10						
Total	5,045	338	0	35,159	5	6,305	11,871	80	363	0	43,687	584	0	0	76

(*) 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 2019. Trade receivables and payables include the net amount of VAT transferred to Cremonini within the scope of the Group VAT liquidation.

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

From Other Related Parties															
Members of top management team					423							321			
Total	0	0	0	0	423	0	0	0	0	0	0	321	0	0	0

Appendix 3

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

			Non-financial changes				
	30/06/2021	Cash flows	Other changes/ reclassifications	Purchases	Exchange rates variations	Fair value variation	31/12/2020
Current payables to bank	60,874	(5,810)	0	0	0	0	66,684
Current portion of non current debt	154,449	(28,883)	83,207	0	0	0	100,125
Current financial payables for bond private placement in US dollars	31,279	(644)	30,450	0	876	0	597
Current financial payables for IFRS 16 lease contracts	9,957	(4,571)	372	5,628	0	0	8,528
Current financial payables for leasing contracts	0	(56)	0	0	0	0	56
Current financial payables for purchase of quotas or shares	1,051	(4,879)	0	5,930	0	0	0
Total current financial payables	257,610	(44,843)	114,029	11,558	876	0	175,990
Current payables/(receivables) for hedging financial instruments	25	(6)	0	0	0	25	6
Total current financial instruments	25	(6)	0	0	0	25	6
Non-current payables to bank	181,049	60,000	(83,205)	0	0	0	204,254
Non-current financial payables for bond private placement in US dollars	0	0	(26,812)	0	0	0	26,812
Non-current financial payables for IFRS 16 lease contracts	51,286	0	6,352	0	0	0	44,934
Non-current financial payables for leasing contracts	0	0	0	0	0	0	0
Non-current financial payables for purchase of quotas or shares	2,000	0	0	2,000	0	0	0
Total non-current financial payables	234,335	60,000	(103,665)	2,000	0	0	276,000
Non-current payables/(receivables) for hedging financial instruments	0	(49)	0	0	0	0	49
Total non-current financial instruments	0	(49)	0	0	0	0	49
Total liabilities arising from financial activities	491,970	15,102	10,364	13,558	876	25	452,045

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries or merger)	19,981
Other changes/ reclassifications	10,364
Exchange rates variations	876
Fair value variation	25
Total detailed variations in the table	31,246
Other changes in financial liabilities	(7,622)
Net change in Rights of use	7,781
New non-current loans received	80,000
Net change in financial payables for derivatives	(30)
Non current loans repayment	(48,883)
Total changes shown between financing activities in the Cash Flows Statement	31,246

	30/06/2020	Cash flows	Non-financial changes Other changes/ reclassifications	Purchases	Exchange rates variations	Fair value variation	31/12/2019
Current payables to bank	47,359	7,728	0	835	0	0	38,796
Current portion of non current debt	157,080	(49,626)	76,630	0	0	0	130,076
Current financial payables for bond private placement in US dollars	39,052	(814)	30,084	0	123	0	9,659
Current financial payables for IFRS 16 lease contracts	8,568	(4,131)	4,266	522	0	0	7,911
Current financial payables for leasing contracts	194	(133)	56	0	0	0	271
Current financial payables for purchase of quotas or shares	0	(800)	0	800	0	0	0
Total current financial payables	252,253	(47,776)	111,036	2,157	123	0	186,713
Current payables/(receivables) for hedging financial instruments	1	(72)	0	0	0	1	72
Total current financial instruments	1	(72)	0	0	0	1	72
Non-current payables to bank	172,119	110,950	(76,322)	0	0	0	137,491
Non-current financial payables for bond private placement in US dollars	0	0	(29,246)	0	0	0	29,246
Non-current financial payables for IFRS 16 lease contracts	35,622	0	(2,892)	0	0	0	38,514
Non-current financial payables for leasing contracts	0	0	(56)	0	0	0	56
Non-current financial payables for purchase of quotas or shares	0	0	0	0	0	0	0
Total non-current financial payables	207,741	110,950	(108,516)	0	0	0	205,307
Non-current payables/(receivables) for hedging financial instruments	44	(66)	0	0	0	44	66
Total non-current financial instruments	44	(66)	0	0	0	44	66
Total liabilities arising from financial activities	460,039	63,036	2,520	2,157	123	45	392,158

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries or merger)	63,836
Other changes/ reclassifications	2,520
Exchange rates variations	123
Fair value variation	45
Total detailed variations in the table	66,524
Other changes in financial liabilities	3,305
Net change in Rights of use	1,895
New non-current loans received	122,500
Non current loans repayment	(61,176)
Total changes shown between financing activities in the Cash Flows Statement	66,524

Appendix 4

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 at 31 December 2020				
Financial Statements		(in thousands of Euros)		Consolidated fianancial statements
		BALANCE SHEET		
		ASSETS		
82,676		Tangible assets		1,158,459
0		Rights of use assets		292,553
18		Goodwill and other intangible assets		238,235
258,582		Investments		29,530
73		Non-current assets		123,435
341,349		*Total non-current assets*		*1,842,212*
0		Inventories		455,801
29,138		Receivables and other current assets		607,851
1,610		Cash and cash equivalents		384,231
30,748		*Total current assets*		*1,447,883*
372,097		**Total assets**		***3,290,095***
		LIABILITIES		
293,403		Shareholders' equity:		*950,006*
	67,074	Share capital	67,074	
	229,309	Reserves	516,363	
	(2,980)	Net profit (loss)	4,433	
	0	Minority interest	362,136	
20,005		Non-current financial payables		1,008,489
373		Employee benefits		23,360
102		Provisions for risks and charges		18,218
3,841		Other non-current liabilities		40,267
24,321		*Total non-current liabilities*		*1,090,334*
48,453		Current financial payables		550,089
5,920		Current liabilities		699,666
54,373		*Total current liabilities*		*1,249,755*
372,097		**Total Liabilities**		***3,290,095***
		INCOME STATEMENT		
6,990		Revenues		3,316,730
759		Other revenues		91,520
0		Changes in inventories		31,490
0		Internal works performed		2,680
(63)		Purchase of goods		(2,366,042)
(4,313)		Other operating costs		(477,240)
(2,608)		Personnel costs		(352,762)
(3,036)		Amortization		(160,441)
(99)		Depreciation and Allocations		(37,124)
(778)		Income from investments		(305)
(411)		Financial income and charges		(63,302)
0		Profit from business aggregations		0
(3,559)		*Profit before taxes*		*(14,796)*
579		Taxes		35,616
(2,980)		Net profit (loss) before consolidation		*20,820*
0		Minority interest's profit (loss)		(16,387)
(2,980)		**Consolidated Net profit (loss)**		***4,433***

STATEMENT OF CONDENSED CONSOLIDATED FINANCIAL STATEMENT PURSUANT TO ART. 154-BIS OF LEGISLATIVE DECREE 58 DATED 24 FEBRUARY 1998

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 interim condensed consolidated financial statement, during the first half-year 2021.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the interim condensed consolidated financial statement as at 30 June 2021 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:

   a) the interim condensed consolidated financial statements:
   - are prepared in conformity 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;
   - correspond to the findings in the accounts books and documents;
   - 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.

   b) the interim directors' report on management includes a reliable analysis of the significant events occurred in the first six month of the business year and of their effect on the interim condensed consolidated financial statement, together with a description of the main risks and uncertainties to which they are exposed for the remaining six months of the business year. The intermediate report on management also includes a credible analysis of the information on the significant operations with related parties.

Rimini, 3 August 2021

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

pwc

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of MARR SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of MARR SpA (hereinafter also the “Company”) and its subsidiaries (the “MARR Group”) as of June 30, 2021, which comprise the statement of consolidated financial position, the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in the shareholders’ equity, the consolidated cash flows statement and the related explanatory notes. The Directors of MARR SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by CONSOB in Resolution no. 10867 of July 31, 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italy) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of MARR Group as of June 30, 2021 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting as adopted by the European Union.

Bologna, August 3, 2021

PricewaterhouseCoopers SpA

signed by

Gianni Bendandi
(Partner)

"This report has been translated into the English language from the original, which was issued in Italian language, solely for the convenience of international readers. Reference in this report to the financial statements refer to the financial statements in original Italian and not to any their translation."