Interim Report

as at March 31, 2021

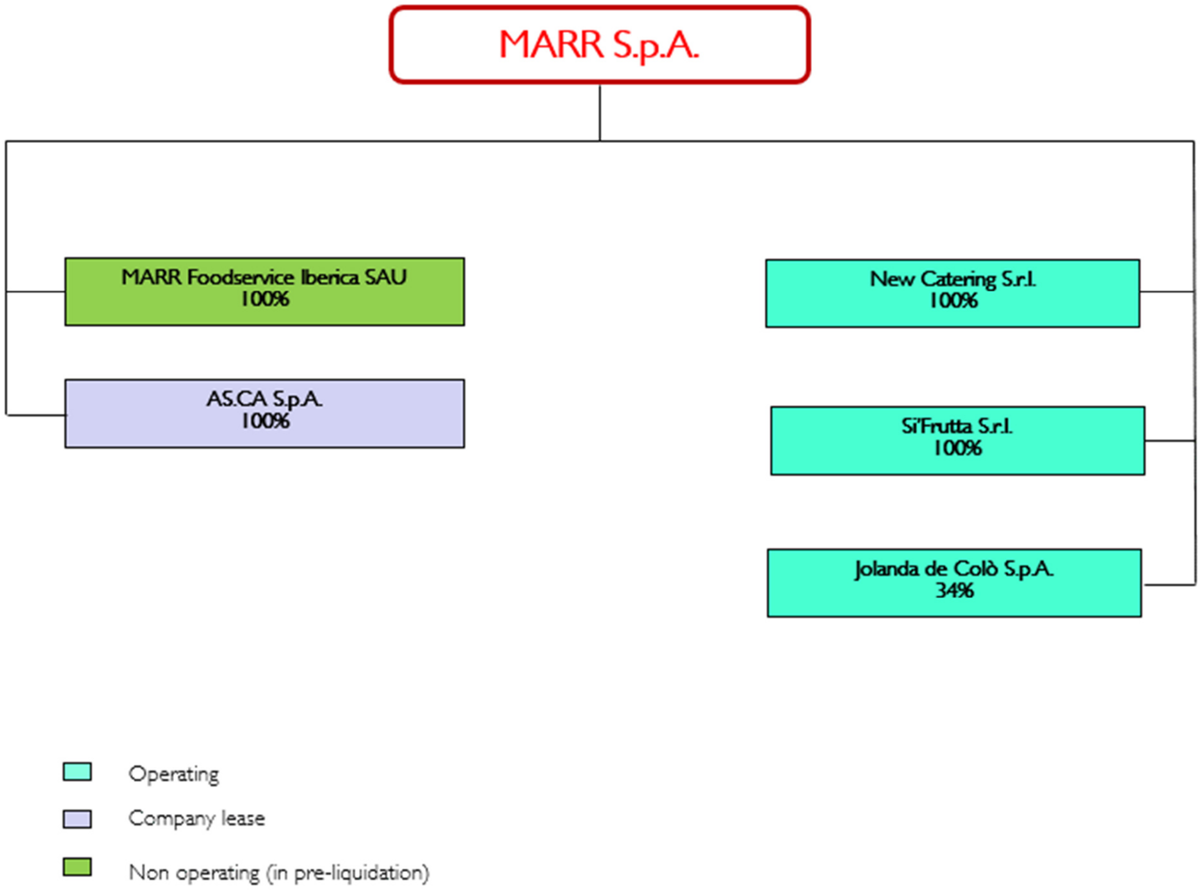
14 May 2021

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

TABLE OF CONTENTS

MARR GROUP ORGANISATION

as at 31 March 2021



The structure of the Group as at 31 March 2021 does not differ from that as at 31 December 2020 or from that as at 31 March 2020.

The MARR Group's activities are entirely dedicated to the foodservice marketing and 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 s.n.c. - Santarcangelo di Romagna (RN)	Company which leases going concerns to the Parent Company, effective from 1st February 2020
New Catering S.r.l. Via Pasquale Tosi s.n.c. - 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).

Company	Activity
SìFrutta S.r.l. Via Pasquale Tosi s.n.c. - Santarcangelo di Romagna (RN)	Supply of fresh fruit and vegetable products to hotels, restaurants, canteens and chains operators and in industrial transformation activities.
Jolanda de Colò S.p.A. Via 1° Maggio n. 21 – Palmanova (UD)	Production, marketing and distribution of food products in the premium segment (high range).

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

CORPORATE BODIES

Board of Directors

Chairman	Ugo Ravanelli
Chief Executive 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 quarter of 2021

The interim report as at 31 March 2021, not audited, has been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002, while for information and the purposes of this report, reference is made to article 154-ter of the Legislative Decree 58 dated 24 February 1998.

The quarter began with an extremely penalising market situation, especially when compared to the same period last year. Suffice to say that the trend changes recorded by the Confcommercio Studies Office (survey no. 4 of 15 April 2021) for January and February show reductions in terms of quantity of -58.8% and -45.6% respectively for the "Hotels, meals and out-of-home consumption" segment.
A first timid recovery, with an inversion in trend, could be noticed in March, when a variation of +5.9% was recorded. Although with a performance better than that of the Market and recorded by Confcommercio, MARR's total revenues also suffered from these uncertainties, closing the quarter at 188.6 million Euros compared to 261.7 million last year (-73.1 million, amounting to -28% compared to a market which, according to the source already quoted, recorded -43%).
It is interesting to break this result down on a monthly basis. Indeed, while in January and February, the decrease in total revenues was -56 and -37 million respectively, in March, the recovery compared to the same month last year amounted to 20 million (+42%).

With total revenues of 188.6 million, the revenues from sales in the first quarter amounted to 186.2 million Euros (compared to 259.7 million in the same period last year).

In particular, sales to clients in the "Street Market" category (restaurants and hotels not belonging to Groups or Chains) and "National Account" category (operators in structured commercial foodservice and canteens) were affected by the zonal restrictions throughout the entire period, while in the first quarter of 2020, they had been affected by the lockdown restrictions only starting on 10 March 2020.

The sales to wholesalers and retailers ("Wholesale" category) were less affected by the aforementioned restrictions.

The consolidated EBITDA for the period amounted to 108 thousand Euros compared to 3.6 million last year and it is the result of a strong decrease (about -8 million) in the first two months compared to the same period of 2020 with a substantial recovery in March (about +4.5 million). The EBIT amounted to -7.0 million compared to -4.2 million in the first quarter of 2020.

The net result for the period amounted to -6.3 million, compared to -4.0 million last year.

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

MARR Consolidated (€thousand)	31 March 2021	31 March 2020*
Revenues from sales and services by customer category		
Street market	89,913	144,801
National Account	44,774	64,543
Wholesale	51,509	50,355
Total revenues form sales in Foodservice	186,196	259,699
(1) Discount and final year bonus to the customers	(1,966)	(4,165)
(2) Other services	68	661
(3) Other	29	56
Revenues from sales and services	184,327	256,251

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

* It should be noted that the data as at 31 March 2020 have been restated in order to maintain comparability with the 2021 classification following the redefinition of the customer category.

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

Analysis of the re-classified income statement[1]

MARR Consolidated (€thousand)	1st quarter 2021	%	1st quarter 2020	%	% Change
Revenues from sales and services	184,327	97.7%	256,251	97.9%	(28.1)
Other earnings and proceeds	4,299	2.3%	5,498	2.1%	(21.8)
Total revenues	188,626	100.0%	261,749	100.0%	(27.9)
Cost of raw materials, consumables and goods for resale	(161,880)	-85.8%	(222,444)	-85.0%	(27.2)
Change in inventories	9,544	5.1%	8,528	3.3%	11.9
Services	(29,381)	-15.6%	(35,732)	-13.7%	(17.8)
Leases and rentals	(49)	0.0%	(110)	0.0%	(55.5)
Other operating costs	(348)	-0.2%	(429)	-0.2%	(18.9)
Value added	6,512	3.5%	11,562	4.4%	(43.7)
Personnel costs	(6,404)	-3.4%	(7,967)	-3.0%	(19.6)
Gross Operating result	108	0.1%	3,595	1.4%	(97.0)
Amortization and depreciation	(4,003)	-2.1%	(3,993)	-1.5%	0.3
Provisions and write-downs	(3,156)	-1.7%	(3,839)	-1.5%	(17.8)
Operating result	(7,051)	-3.7%	(4,237)	-1.6%	66.4
Financial income	171	0.1%	233	0.1%	(26.6)
Financial charges	(1,523)	-0.8%	(1,559)	-0.6%	(2.3)
Foreign exchange gains and losses	262	0.1%	138	0.0%	89.9
Value adjustments to financial assets	(156)	-0.1%	0	0.0%	(100.0)
Result from recurrent activities	(8,297)	-4.4%	(5,425)	-2.1%	52.9
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	0	0.0%	0	0.0%	0.0
Net result before taxes	(8,297)	-4.4%	(5,425)	-2.1%	52.9
Income taxes	1,947	1.0%	1,377	0.6%	41.4
Net result attributable to the MARR Group	(6,350)	-3.4%	(4,048)	-1.5%	56.9

The consolidated economic results for the first quarter of 2021, which are still not easily comparable to those for the same period last year, when the effects of the pandemic were first felt during March, were as follows; EBITDA[2] of 0.1 million Euros (3.6 million Euros as at 31 March 2020); EBIT of -7.0 million Euros (-4,2 million Euros as at 31 March 2020).

In the first quarter, MARR was once again significantly affected by the increasing restrictions on tourism and out-of-home foodservice activities. The reduction saw non-homogeneous dynamics in the framework of an absolutely non-comparable market situation in which, after a significant reduction in the first two months, March recorded a positive trend, despite the stringent health restrictions.

As regards the monthly trends in revenues from sales, it must be pointed out that while in January and February, the reduction in total revenues amounted to -56 and -37 million Euros respectively, in March the increase towards the figure for the same month last year was 20 million (+42%).

[1] It is specified that the reclassified income statement does not show the item "Other Profits/Losses net of the effect of taxation" reported in the "Comprehensive income statement", as required by IAS 1 revised applicable from 1st January 2009 onwards.

[2] The EBITDA (Gross Operating Margin) is an economic indicator not defined by the IFRS adopted by MARR for the financial statements from 31 December 2005. The EBITDA is a measure used by the company's management to monitor and assess its operational performance. The management believes that the EBITDA is an important parameter for measuring the Group's performance as it is not affected by the volatility due to the effects of various types of criteria for determining taxable items, the amount and characteristics of the capital used and the relevant amortization policies. Today (following the subsequent detailing of the development of the accounting procedures) the EBITDA (Earnings before interests, taxes, depreciation and amortization) is defined as the business year Profits/Losses gross of amortizations and depreciations, write-downs and financial income and charges and income tax.

The item "other revenues and income", represented mainly by the contributions from suppliers on purchases and which includes the logistical costs that MARR charges to its suppliers, is correlated to the trends in costs for the purchase of goods and was also negatively affected by the trends in sales.

With regard to the above, in comparing the economic figures for the two periods, it must be taken into account that the fall in consumption linked to the measures to prevent the spread of the pandemic affected the entire quarter this year, while they were only in force from 11 March 2020.

As regards the operating costs, the decrease in absolute value of the Services must be pointed out, falling from 35.7 million Euros in the first quarter of 2020 to 29.4 million in the same period of 2021, with a percentage incidence on the total sales increasing from 13.7% in 2020 to 15,6% in 2021.
The cost of employment also recorded a decrease of 1.6 million, linked, in addition to a reduction in the average Group workforce (761.3 employees on average in the first quarter of 2021 compared to 819.8 in the same period last year), to the measures implemented in order to adjust the organization to the market situation through the use of the social safety nets made available by the Government, an intensification of the use of paid leave and less overtime work.

The item "Amortizations" is in line with the first quarter of 2020. It must be noted that it includes 2.3 million Euros (2.2 million in the same period of 2020) for the amortization for the quarter of the right of usage included in the financial statements for the leasing contracts as envisaged by IFRS 16.
The item provisions and write-downs amounted to 3.2 million Euros (3.8 million in the first quarter of 2020), with a percentage incidence n the total revenues increasing from 1.5% in the first quarter of 2020 to 1.7% as at 31 March 2021. The item includes 2.8 million Euros for provisions for bad debts, 0.4 million Euros for the provision for supplementary client indemnity and future risks and loses.

The trend of reductions in interest rates and the extinction in July 2020 of the bond loan in US dollars have enabled the balance of financial management to remain in line with that for the first quarter of 2020, with an increase in the medium and long-term debts.

As a result of the above, and net of a write-down of the financial assets amounting to 0.2 million Euros, the result of recurrent activities amounted at the end of the quarter to a loss of 8.3 million Euros (5.4 million Euros as at 31 March 2020) and, as a result of the deferred taxes receivable, the net result for the period amounted to a net loss of 6.3 million Euros (4.0 million Euros in the first quarter of 2020).

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	*31.03.21*	*31.12.20*	*31.03.20**
Net intangible assets	153,502	153,488	153,454
Net tangible assets	77,195	75,517	71,181
Right of use assets	56,279	51,849	45,313
Equity investments evaluated using the Net Equity method	1,797	1,828	2,046
Equity investments in other companies	175	300	304
Other fixed assets	34,175	30,264	42,999
Total fixed assets (A)	323,123	313,246	315,297
Net trade receivables from customers	279,193	298,850	329,014
Inventories	144,125	134,581	179,144
Suppliers	(190,936)	(234,579)	(226,319)
Trade net working capital (B)	232,382	198,852	281,839
Other current assets	40,589	45,885	38,468
Other current liabilities	(14,401)	(13,712)	(7,737)
Total current assets/liabilities (C)	26,188	32,173	30,731
Non-current assets held for sale (D)	2,400	2,400	0
Net working capital (E) = (B+C+D)	260,970	233,425	312,570
Other non current liabilities (F)	(1,913)	(1,868)	(1,436)
Staff Severance Provision (G)	(7,125)	(7,275)	(7,600)
Provisions for risks and charges (H)	(7,526)	(7,100)	(6,792)
Net invested capital (I) = (A+E+F+G+H)	567,529	530,428	612,039
Shareholders' equity attributable to the Group	(331,751)	(338,112)	(336,637)
Consolidated shareholders' equity (J)	(331,751)	(338,112)	(336,637)
(Net short-term financial debt)/Cash	109,473	90,443	(21,860)
(Net medium/long-term financial debt)	(287,672)	(229,297)	(207,553)
Net financial debt - before IFRS16 (K)	(178,199)	(138,854)	(229,413)
Current lease liabilities (IFRS16)	(8,824)	(8,528)	(8,210)
Non-current lease liabilities (IFRS16)	(48,755)	(44,934)	(37,779)
IFRS16 effect on Net financial debt (L)	(57,579)	(53,462)	(45,989)
Net financial debt (M) = (K+L)	(235,778)	(192,316)	(275,402)
Net equity and net financial debt (N) = (J+M)	(567,529)	(530,428)	(612,039)

* It should be noted that the data as at 31 March 2020 have been restated where necessary in order to maintain comparability with the data as at 31 December 2020 and at 31 March 2021.

Analysis of the Net Financial Position[3]

The following represents the trend in Net Financial Position.

	MARR Consolidated (€thousand)	*31.03.21*	*31.12.20*	*31.03.20**
A.	Cash	1,998	3,633	1,166
	Bank accounts	255,994	247,842	126,670
	Postal accounts	18	16	35
B.	Cash equivalent	256,012	247,858	126,705
C.	Liquidity (A) + (B)	258,010	251,491	127,871
	Current financial receivable due to Parent company	9,099	5,794	4,077
	Current financial receivable due to related companies	0	0	0
	Others financial receivable	1,262	626	790
D.	Current financial receivable	10,361	6,420	4,867
E.	Current derivative/financial instruments	0	0	1,488
F.	Current Bank debt	(48,989)	(66,684)	(31,842)
G.	Current portion of non current debt	(109,659)	(100,125)	(114,525)
	Financial debt due to Parent Company	0	0	0
	Financial debt due to Related Companies	0	0	0
	Other financial debt	(250)	(659)	(9,719)
H.	Other current financial debt	(250)	(659)	(9,719)
I.	Current lease liabilities (IFRS16)	(8,824)	(8,528)	(8,210)
J.	Current financial debt (F) + (G) + (H) + (I)	(167,722)	(175,996)	(164,296)
K.	Net current financial indebtedness (C) + (D) + (E) + (J)	100,649	81,915	(30,070)
L.	Non current bank loans	(262,598)	(204,254)	(177,552)
M.	Non-current derivative/financial instruments	3,052	1,818	0
N.	Other non current loans	(28,126)	(26,861)	(30,001)
O.	Non-current lease liabilities (IFRS16)	(48,755)	(44,934)	(37,779)
P.	Non current financial indebtedness (L) + (M) + (N) + (O)	(336,427)	(274,231)	(245,332)
Q.	Net financial indebtedness (K) + (P)	(235,778)	(192,316)	(275,402)

* It should be noted that the data as at 31 March 2020 have been restated where necessary in order to maintain comparability with the data as at 31 December 2020 and at 31 March 2021.

In comparing the figure for that in previous years, it must be pointed out that, in the report as at 30 June 2020, the financial receivables from the valuation of the derivative cross currency swap contracts correlated to the bond loan in US dollars and expiring in 2023 were included in the net financial position (classified among the non-current financial debts). Were these receivables to have been considered as at 31 March 2020 as well (when they amounted to 5,222 thousand Euros), the financial debt of the Group would have amounted to 270.2 million Euros respectively.

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

The financial debt of the Group includes 258 million Euros in cash and cash equivalents, a further improvement compared to 251 million as at 31 December 2020 and showing an improvement at the end of the first quarter of 2021 compared to the same period last year, but an increase compared to 31 December 2020, as a result of the historical seasonality of the sector.
There were no significant financial movements during the year other than everyday operating management costs.

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

Analysis of the Trade net working Capital

MARR Consolidated (€thousand)	*31.03.21*	*31.12.20*	*31.03.20**
Net trade receivables from customers	279,193	298,850	329,014
Inventories	144,125	134,581	179,144
Suppliers	(190,936)	(234,579)	(226,319)
Trade net working capital	**232,382**	**198,852**	**281,839**

* It should be noted that the data as at 31 March 2020 have been restated where necessary in order to maintain comparability with the data as at 31 December 2020 and at 31 March 2021.

As at 31 March 2021, the trade net working capital amounted to 232.4 million Euros, an improvement compared to 281.8 million Euros at the end of the first quarter of 2020, also benefitting from the reduction in trade receivables and inventories. It must be pointed out that the situation as at 31 March 2020 had been affected by the reaction to the health emergency that arose at the end of February and the closure of all activities from 11 March.
The figures as at 31 March 2021 are thus in no way comparable to those on closure of the first quarter of 2020.

Contrarily, the working capital increased compared to 31 December 2020, being affected by the historical seasonality of the sector, with an increase in inventories mainly as a result of the supply policies with a view to a recovery in consumption during the upcoming summer season.

The Company's focus on the management of the trade receivables remains very high, continuing to adopt methods based on the situations and requirements of each territory and Market segment.

The management's aim remains to safeguard the corporate assets.

Re-classified cash-flow statement

MARR Consolidated (€thousand)	*31.03.21*	*31.03.20**
Net profit before minority interests	(6,350)	(4,048)
Amortization and depreciation	4,003	3,993
Change in Staff Severance Provision	(150)	(698)
Operating cash-flow	(2,497)	(753)
(Increase) decrease in receivables from customers	19,657	39,628
(Increase) decrease in inventories	(9,544)	(8,749)
Increase (decrease) in payables to suppliers	(43,643)	(98,216)
(Increase) decrease in other items of the working capital	2,701	(6,147)
Change in working capital	(30,829)	(73,484)
Net (investments) in intangible assets	(117)	(1,246)
Net (investments) in tangible assets	(3,328)	(1,963)
Flows relating to acquisitions of subsidiaries and going concerns	0	(800)
Investments in other fixed assets and other change in non current items	(3,445)	(4,009)
Free - cash flow before dividends	(36,771)	(78,246)
Distribution of dividends	0	0
Capital increase	0	0
Other changes, including those of minority interests	(11)	887
Cash-flow from (for) change in shareholders' equity	(11)	887
FREE - CASH FLOW	(36,782)	(77,359)
Opening net financial debt	(192,316)	(196,015)
Effect for change in liability for IFRS16	(6,680)	(2,028)
Cash-flow for the period	(36,782)	(77,359)
Closing net financial debt	(235,778)	(275,402)

* It should be noted that the data relating to the flows of the first quarter of 2020 have been restated where necessary in order to maintain comparability with the data as at 31 March 2021

Investments

As regards investments in the first quarter of 2021, it must be highlighted that in February, with the progressive transfer of the various corporate departments, the new headquarter in Santarcangelo di Romagna, for an overall value as at 31 March 2021 of 16,925 thousand Euros, has been inaugurated.
The investments, in the quarter amounted to 1,002 thousand Euros, of which 882 thousand in "Land and buildings" and 120 thousand in the item "Plants and Machinery". In addition, the purchase, in the "Other assets" category of furniture and furnishings for about 380 thousand Euros.

Finally, it is highlighted the purchase of "Plant and machinery" and "Industrial and business equipment" for the new MARR Catania branch (about 700 thousand Euros), which has been operational since about the middle of March.

The following is a summary of the net investments made in the first quarter of 2021:

(€thousand)	*31.03.21*
Intangible assets	
Patents and intellectual property rights	23
Fixed assets under development and advances	94
Goodwill	0
Total intangible assets	117
Tangible assets	
Land and buildings	1,009
Plant and machinery	1,533
Industrial and business equipment	179
Other assets	477
Fixed assets under development and advances	130
Total tangible assets	3,328
Total	3,445

It is highlighted that the amount of investment exposed does not consider the amounts recorded as Right of use following the application of IFRS 16.

Other information

The Company neither holds nor has ever held shares or quotas of parent companies, even though third party persons and/or companies; consequently, during the first quarter of 2021 the company never purchased or sold the above-mentioned shares and/or quotas.

As at 31 March 2021 the company does not possess own shares.

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

Significant events during the first quarter 2021

On 5 March 2021 MARR announced that it had signed a binding Framework Agreement to acquisition all the shares of a newly incorporated company, in which to confer all the activities of Antonio Verrini & Figli S.p.A. ("Verrini") including those of processing and marketing of fish products, and of Chef S.r.l. (Chef), which leases the company Chef Seafood.
Verrini, based in Genoa and operating through 5 distribution centers along the Ligurian coast and in Viareggio, is a reference business in the marketing of fish products in Liguria and Versilia while Chef operates, also in the fish product market, mainly to catering customers on the Riviera of Romagna served by the distribution center of San Clemente (Rimini).
In addition to its procurement skills, Verrini is capable of also valorising purchases through its presence in the retail and wholesale channels, which are vital in a term of product segmentation. Also its specialization in the catering channel which represents more than half of Verrini's sales, could create significant synergies within the MARR Group, aimed in particular at Street Market clients in Piedmont, Liguria and Tuscany.

In March the new MARR Catania distribution centre has started operations, and is a structure of approximately 6,000 m2 with an assortment of over 4,000 products, including a significant selection of local products (DOP, IGP and PAT). Customer relations are guaranteed by approximately 30 Commercial Technicians and an adequate structure of delivery vehicles.
When fully operational, approximately 90 direct and indirect collaborators are expected, including commercial sales, transporters and handling workers. The expected objective for the new Catania distribution center is that it may exceed 60 million Euros in sales in the coming years, almost doubling the current levels of sales in the areas served by the new branch.
MARR has been active in Sicily since the 1990s, in an area that is very tourist and culturally oriented with significant development prospects; the MARR Palermo distribution centre in Cinisi has been operational since 1999. The opening of the new MARR Catania centre has doubled MARR's presence in Sicily and increased the level of service for all foodservice operators in the region, through the MARR Palermo branch in western Sicily and the MARR Catania one in eastern Sicily.
MARR, the leader in Italy in supplying the foodservice sector, operates with a close focus on valorising territorial products of excellence and offering a service oriented towards sustainability. In this sense, the new structure in Catania is part of the MARR design aimed at increasing its closeness to the market by focusing on local and specialist skills.

Subsequent events after the closing of the quarter

On 1st April 2021, After the Antitrust Authority gave its consent, MARR finalised the operation for the acquisition of the two Companies in the Verrini Group (total revenues amounting to about 55 million Euros in 2020) operating in the fresh seafood sector, in both the foodservice sector and in that of distribution to the final consumers.
The company Antonio Verrini S.r.l., which was specifically incorporated, will continue to operate in Liguria and Versilia through 5 distribution centres already in use and will have the dual goal of further expanding into the bordering areas and assisting the MARR distribution centers in increasing service levels, regarding the goods it produces, for the benefit of its Clients.
The company Chef S.r.l. (which operates by leasing the going concern Chef Seafood) will continue its current business of processing seafood products and sale both directly and through MARR's distribution centres operating in the neighbouring areas.
The operation, which confirms the specific will of the MARR Group to enhance its position in terms of goods that are extremely important to its clients and with greater difficulty in terms of management and handling, and also its capacity to consolidate the market through synergic business combinations that are functional to its qualitative objectives, is of strategic importance for the Group.

On 17 April 2021 the non-executive Director Vincenzo Cremonini today resigned from the position held in the Board of Directors of MARR S.p.A.. The decision is due "to personal reasons and to the impossibility of maintaining the position".
The Company thanks Dott. Vincenzo Cremonini for the precious contribution provided until now with continuity and attention.

The contract for the lease to MARR S.p.A. of the going concern owned by SiFrutta S.r.l. was stipulated on 21 April 2021 and is valid as of 1st May 2021, date on which the activities of the subsidiary were taken over by the new MARR SiFrutta branch in Rimini, Via Cina, 4.

On 28 April 2021, the Shareholders' Meeting approved the annual financial statements as at 31 December 2020 and resolved to retain the loss for the year.
During the Shareholders' Meeting, the First Section of the Report on the remuneration policy and the remuneration paid was presented and the Second Section approved (www.marr.it/corporate-governance/assemblee).

The Board of Directors held today, within the terms envisaged by art. 14 of the Company By-Laws and pursuant to Art. 2386 of the Civil Code and with the favourable opinion of the Board of Statutory Auditors, without observing the scope of the list as the candidate appointed therein has in the meantime withdrawn his availability due to professional commitments, appointed as Board member Mr. Paolo Ferrari (whose CV can be consulted on the Company website and who does not currently possess any Company shares).He shall step down on the same date as the other Board members currently in office, and thus on approval of the financial statements as at 31 December 2022, and his appointment will be submitted for approval during the next Shareholders' Meeting.

Outlook

April confirms total revenues slightly more than those in the previous month with an increase of 48 million (of which about 4 million relating to the recent acquisitions) compared to April last year (about 76 million in 2021 compared to 28 million in April 2020).

All of the assessments described in the preceding paragraph "Group trends and analysis of the results for the first quarter of 2021", together with the trends recorded in the first part of the second quarter, and thus in April and the first few weeks of May, enable us to confirm the tepid optimism expressed on closure of the first quarter.

There is indeed an awareness of the enormous potential of out-of-home food consumption and what recorded on the Market in recent weeks, confirms both the assessment of a significant recovery and the objective capacity of MARR to draw full benefit from such trends.

The forecasts for the coming months are still difficult, given that they are linked to phenomena beyond the control of the Company, but what was achieved in the last 6-8 weeks strongly supports positions of realistic optimism.

It is therefore reasonable to expect a significant recovery in 2021 compared to the results achieved in 2020, given the current and forecast Market developments, with an increasingly concrete closing in on the benchmark values, those achieved in 2019, which today would appear realistically to be achievable within 2023.

Business continuity

With regard to the strategies implemented by the company to deal with the pandemic, in addition to that described in this Interim Report as at 31 March 2021, see that described in the 2020 Annual Report.
In this context, taking into consideration the complexity of a rapidly changing market context, the Company has considered the presupposition of business continuity to be appropriate and correct, taking into account its capacity to deal with its obligations in the near future, and especially in the next 12 months, also on the basis of the solidity of the financial structure of the Group, with regard to which the following must be noted:
- the significant amount of cash and cash equivalents (more than 258 million Euros as at 31 March 2021);
- credit lines granted and unused as at 31 March 2021, totalling not less than 200 million Euros;
- the support of the main banks, on the basis of its leadership position in the sector in which it operates, 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 – duration 45 months (of which 12 months pre-amortization) – and hedged by a SACE Guarantee as envisaged in the so-called "Liquidity Decree", no. 23 of 08/04/2020.

Interim Consolidated Financial Statements

MARR Group

Interim Report

as at March 31, 2021

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	*31.03.21*		*31.12.20*		*31.03.20**	
ASSETS						
Non-current assets						
Tangible assets	77,195		75,517		71,181	
Right of use assets	56,279		51,849		45,313	
Goodwill	151,068		151,068		151,068	
Other intangible assets	2,434		2,420		2,386	
Investments valued at equity	1,797		1,828		2,046	
Investments in other companies	175		300		304	
Non-current financial receivables	1,787		1,070		482	
Financial instruments/derivatives	3,052		1,818		5,222	
Deferred tax assets	2,123		0		0	
Other non-current assets	43,824		44,894		51,693	
Total non-current assets	339,734		330,764		329,695	
Current assets						
Inventories	144,125		134,581		179,144	
Financial receivables	10,361		6,420		4,860	
relating to related parties	*9,099*	*87.8%*	*5,794*	*90.2%*	*4,077*	*83.9%*
Financial instruments / derivative	0		0		1,495	
Trade receivables	265,634		283,150		314,616	
relating to related parties	*3,965*	*1.5%*	*6,042*	*2.1%*	*12,492*	*4.0%*
Tax assets	6,734		6,277		2,306	
relating to related parties	*12*	*0.2%*	*12*	*0.2%*	*12*	*0.5%*
Cash and cash equivalents	258,010		251,491		127,871	
Other current assets	33,855		39,608		36,162	
relating to related parties	*192*	*0.6%*	*484*	*1.2%*	*129*	*0.4%*
Total current assets	718,719		721,527		666,454	
Non-current assets held for sale	2,400		2,400		0	
TOTAL ASSETS	*1,060,853*		*1,054,691*		*996,149*	
LIABILITIES						
Shareholders' Equity						
Shareholders' Equity attributable to the Group	331,751		338,112		336,637	
Share capital	*33,263*		*33,263*		*33,263*	
Reserves	*286,498*		*286,510*		*222,320*	
Net result of the period attributable to the Group	*11,990*		*18,339*		*81,054*	
Total Shareholders' Equity	331,751		338,112		336,637	
Non-current liabilities						
Non-current financial payables	290,674		231,066		207,484	
Non-current lease liabilities (IFRS16)	48,755		44,934		37,779	
relating to related parties	*3,394*	*7.0%*	*3,537*	*7.9%*	*333*	*0.9%*
Financial instruments/derivatives	50		49		69	
Employee benefits	7,125		7,275		7,600	
Provisions for risks and costs	7,526		7,099		6,463	
Deferred tax liabilities	0		1		329	
Other non-current liabilities	1,913		1,868		1,436	
Total non-current liabilities	356,043		292,292		261,160	
Current liabilities						
Current financial payables	158,898		167,462		156,086	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*	*0*	*0.0%*
Current lease liabilities (IFRS16)	8,824		8,528		8,210	
relating to related parties	*560*	*6.3%*	*556*	*6.5%*	*662*	*8.1%*
Financial instruments/derivatives	0		6		0	
Current tax liabilities	2,278		1,792		3,392	
relating to related parties	*920*	*40.4%*	*770*	*43.0%*	*1,885*	*55.6%*
Current trade liabilities	190,936		234,579		226,319	
relating to related parties	*14,872*	*7.8%*	*9,512*	*4.1%*	*6,509*	*2.9%*
Other current liabilities	12,123		11,920		4,345	
relating to related parties	*312*	*2.6%*	*258*	*2.2%*	*268*	*6.2%*
Total current liabilities	373,059		424,287		398,352	
TOTAL LIABILITIES	*1,060,853*		*1,054,691*		*996,149*	

* It should be noted that the data as at 31 March 2020 have been restated where necessary in order to maintain comparability with the data as at 31 December 2020 and at 31 March 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€thousand)	*Notes*	*1st quarter 2021*		*1st quarter 2020*	
Revenues	1	184,327		256,251	
relating to related parties		*4,008*	*2.2%*	*12,699*	*5.0%*
Other revenues	2	4,299		5,498	
relating to related parties		*147*	*3.4%*	*182*	*3.3%*
Changes in inventories		9,544		8,528	
Purchase of goods for resale and consumables	3	(161,880)		(222,444)	
relating to related parties		*(14,572)*	*9.0%*	*(15,435)*	*6.9%*
Personnel costs	4	(6,404)		(7,967)	
Amortizations, depreciations and provisions	5	(4,430)		(4,279)	
Losses due to impairment of financial assets	6	(2,729)		(3,553)	
Other operating costs	7	(29,778)		(36,271)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(11)*		*(25)*	
relating to related parties		*(749)*	*2.5%*	*(772)*	*2.1%*
Financial income and charges	8	(1,090)		(1,188)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(119)*		*(242)*	
relating to related parties		*(27)*	*2.5%*	*(3)*	*0.3%*
Income (charge) from associated companies	9	(156)	*100.0%*	0	*0.0%*
Net result before taxes		*(8,297)*		*(5,425)*	
Taxes	10	1,947		1,377	
Net result of the period		*(6,350)*		*(4,048)*	
Attributable to:					
Shareholders of the parent company		(6,350)		(4,048)	
Minority interests		0		0	
		(6,350)		*(4,048)*	
EPS base (euros)	11	(0.10)		(0.06)	
EPS diluted (euros)	11	(0.10)		(0.06)	

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	*Notes*	1st quarter 2021	1st quarter 2020
Net result of the period (A)		*(6,350)*	*(4,048)*
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		(11)	873
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)	*12*	*(11)*	*887*
Comprehensive Result (A + B)		*(6,361)*	*(3,161)*
Attributable to:			
Shareholders of the parent company		(6,361)	(3,161)
Minority interests		0	0
		(6,361)	*(3,161)*

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDER'S EQUITY

Description	Share Capital	Other reserves											Profits carried over from consolidated	Total Group net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to Ias/Ifrs	Cash-flow hedge reserve	Reserve ex art. 55 (dpr 597-917)	Reserve IAS 19	Total Reserves		
Balance at 31 December 2019	33,263	63,348	6,652	13	36,496	106,111	1,475	7,290	(588)	1,458	(822)	221,434	85,101	339,798
Other minor variations										(1)		(1)	1	
Consolidated comprehensive income (1/1 -31/03/20):														
- Net result of the period													(4,048)	(4,048)
- Other Profits/Losses, net of taxes									873		14	887		887
Balance at 31 March 2020	33,263	63,348	6,652	13	36,496	106,111	1,475	7,290	285	1,457	(808)	222,320	81,054	336,637
Allocation of 2019 profit						64,349						64,349	(64,349)	
Other minor variations										(4)		(5)	(1)	(6)
Consolidated comprehensive income (1/04-31/12/20):														
- Net result of the period													1,635	1,635
- Other Profits/Losses, net of taxes									(151)		(3)	(154)		(154)
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										(1)		(1)	1	
Consolidated comprehensive income (1/1 -31/03/2021):														
- Net result of the period													(6,350)	(6,350)
- Other Profits/Losses, net of taxes									(11)			(11)		(11)
Balance at 31 March 2021	33,263	63,348	6,652	13	36,496	170,460	1,475	7,290	123	1,452	(811)	286,498	11,990	331,751

CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	31.03.21		31.03.20*	
Net result of the Period	(6,350)		(4,048)	
Adjustment:				
Amortization / Depreciation	1,755		1,841	
IFRS 16 depreciation	2,250		2,152	
Change in deferred tax	(2,121)		(1,536)	
Allocation of provison for bad debts	2,729		3,553	
Provision for supplementary clientele severance indemnity	181		287	
Write-downs of investments non consolidated on a line – by – line	156		0	
Capital profit/losses on disposal of assets	25		(62)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Financial (income) charges net of foreign exchange gains and losses	1,352		1,326	
relating to related parties	*26*	*1.9%*	*3*	*0.2%*
Foreign exchange evaluated (gains)/losses	(78)		148	
Total	**6,249**		**7,709**	
Net change in Staff Severance Provision	(150)		(721)	
(Increase) decrease in trade receivables	14,787		42,722	
relating to related parties	*2,077*	*14.0%*	*(1,563)*	*(3.7%)*
(Increase) decrease in inventories	(9,544)		(8,560)	
Increase (decrease) in trade payables	(43,643)		(99,801)	
relating to related parties	*5,360*	*(12.3%)*	*(3,358)*	*3.4%*
(Increase) decrease in other assets	6,823		1,356	
relating to related parties	*292*	*4.3%*	*305*	*22.5%*
Increase (decrease) in other liabilities	494		(10,614)	
relating to related parties	*54*	*10.9%*	*(352)*	*3.3%*
Net change in tax assets / liabilities	49		(5,532)	
relating to related parties	*150*	*306.1%*	*130*	*(2.3%)*
Interest paid	(1,523)		(1,559)	
relating to related parties	*(29)*	*1.9%*	*(3)*	*0.2%*
Interest received	171		233	
relating to related parties	*3*	*1.8%*	*0*	*0.0%*
Foreign exchange gains	78		(148)	
Income tax paid	(23)		0	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Cash-flow from operating activities	**(32,582)**		**(78,963)**	
(Investments) in other intangible assets	(117)		(98)	
(Investments) in tangible assets	(3,365)		(1,274)	
Net disposal of tangible assets	11		109	
Outgoing for acquisition of subsidiaries or going concerns during the year (net of the cash acquired)	0		(615)	
Cash-flow from investment activities	**(3,471)**		**(1,878)**	
Other changes, including those of third parties	(12)		890	
Net change lease liabilities (IFRS16)	(2,563)		(2,464)	
relating to related parties	*(139)*	*5.4%*	*(164)*	*6.7%*
Net change in financial receivebles/payables for derivates	(1,239)		(2,120)	
Net change in financial payables (excluding the new non-current loans	(16,950)		(7,380)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
New non-current loans received	80,000		57,500	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Repayment of other long - term debt	(12,006)		(32,980)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Net change in current financial receivables	(3,941)		(2,457)	
relating to related parties	*(3,305)*	*83.9%*	*(2,234)*	*90.9%*
Net change in non-current financial receivables	(717)		5,230	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Cash-flow from financing activities	**42,572**		**16,219**	
Increase (decrease) in cash-flow	**6,519**		**(64,622)**	
Opening cash and equivalents	251,491		192,493	
Closing cash and equivalents	**258,010**		**127,871**	

* It should be noted that the data relating to the flows of the first quarter of 2020 have been restated where necessary in order to maintain comparability with the data as at 31 March 2021.

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

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Structure and contents of the interim condensed consolidated financial statements

The interim report as at 31 March 2021 has been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002, while for information and the purposes of this report, reference is made to article 154-ter of the Legislative Decree 58 dated 24 February 1998.

In the "Accounting policies" section, the international accounting principles adopted in the drawing up of the quarterly report as at 31 March 2021 do not differ from those used in the drawing up of the consolidated financial statements as at 31 December 2020, excepted for the amendments and interpretations effective from the 1st January 2021.

For the purposes of the application of IFRS 8 it is noted that the Group operates in the "Distribution of food products to non-domestic catering" sector only; as regards performance levels in the first quarter of 2021, see that described in the Directors' Report on management performance.

The consolidated financial statements as at 31 March 2021 show, for comparison purposes, for the statement of profit or loss the figures for the first quarter of 2020 and for the statement of financial position the figures as at 31 December 2020 and at 31 March 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).

It is believed that these classifications provide information which better represent the economic and financial situation of the Group.

The figures are expressed in Euros.

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

The interim report is not subject to auditing.

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

Consolidation method

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

- Subsidiaries have been consolidated as from the date when control was actually transferred to the Group, and are no longer consolidated as from the date when control was transferred outside the Group.
- Assets and liabilities, charges and income of the companies consolidated on a line-by-line basis, have been fully entered in the consolidated financial statements; the book value of equity investments has been written off against the corresponding portion of shareholders' equity of the related concerns, by assigning to each single item of the statement of financial position's assets and liabilities, the current value as at the date of acquisition of control (purchase method as defined by IFRS 3, "Business combinations"). Any residual difference, if positive, is entered under "Goodwill" in the assets; if negative, in the income statement.
- Mutual debt and credit, costs and revenues relationships, between consolidated companies, and the effects of all significant transactions between these companies, have been written off.
- The portions of shareholders' equity and of the results for the period of minority shareholders have been shown separately in the consolidated shareholders' equity and income statement: this holding is determined on the basis of the percentage held in the fair value of the assets and liabilities recorded at the date of original takeover and in the changes in shareholders' equity after this date.
- Subsequently, the profits and losses are attributed to the minority shareholders on the basis of the percentage they hold and the losses are attributed to minorities even if this implies that the minority holdings have a negative balance.

- Changes in the shareholding of the parent company in a subsidiary, which do not imply loss of control, are accounted as equity transactions.
- If the parent company loses control over a subsidiary, it:
  - derecognises the assets (including any goodwill) and liabilities of the subsidiary,
  - derecognises the carrying amount of any non-controlling interest,
  - derecognises the cumulative translation differences recorded in equity,
  - recognises the fair value of the consideration received,
  - recognises the fair value of any investment retained,
  - recognises any surplus or deficit in the profit and loss,
  - re-classifies the parent's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

Scope of consolidation

The interim condensed consolidated financial statements as at 31 March 2021 include the financial statements of the Parent Company MARR S.p.A. and those of the companies it either directly or indirectly controls.
Control is achieved when the Group is exposed or has the right to variable performance levels, deriving from its own relations with the entity involved in the investment and, simultaneously, has the capacity to affect these performance levels by exercising its power over the entity.
Specifically, the Group controls a subsidiary if, and only if, the Group has:
· the power over the entity involved in the investment (or has valid rights conferring upon it the current capacity to manage the significant activities of the entity being invested in);
· exposure or the right to variable performance levels deriving from relations with the entity being invested in;
· the capacity to exercise its own power over the entity being invested in terms of affecting the amount deriving from its performance.
There is a general assumption that the majority of voting rights implies control. In support of this assumption and when the Group possesses less than the majority of the voting (or similar) rights, the Group considers all the significant facts and circumstances to establish whether it controls the entity being invested in, including:
· contractual agreements with other owners of voting rights;
· 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 significant elements defining control.

The complete list of subsidiaries included in the scope of consolidation as at 31 March 2021, with an indication of the method of consolidation, is included in the Group Organisation section.
The interim condensed consolidated financial statements have been prepared on the basis of the financial statements as at 31 March 2021 prepared by the subsidiaries included in the scope of consolidation and adjusted, if necessary, in order to align them to the accounting Group policies and classification criteria, in accordance with IFRS.

The structure of the Group as at 31 March 2021 does not differ from that as at 31 December 2020 or from that as at 31 March 2020.

During the first quarter of 2021, it is not realised new business combinations.

Corporate aggregations realised after the first quarter

On 1st April 2021, MARR finalised the purchase of the two Companies in the Verrini Group operating in the fresh seafood sector, on both the catering market and that of distribution to the final consumers.
The Company Antonio Verrini S.r.l., incorporated for the purpose, will continue to operate in Liguria and Versilia through the 5 distribution centres it already uses and will have the dual goal of further developing the neighbouring territories and assisting the MARR distribution centers in increasing the service level for its characteristic goods in favour of its customers.
The Company Chef S.r.l. (which operates by leasing Chef Seafood) will continue its current activities of processing seafood products for their marketing, both directly and through the structure of the MARR branches in the surrounding areas.
The purchase envisaged an outgoing (including undertaking the debts) of about 8 million Euros, with part of the payment delayed for 12 months, in addition to an earn out in favour of the vendors, for up to a maximum of 2 million euros, linked to the achievement of specific targets in 2022.

Accounting policies

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

- Modifications to IFRS 9, IAS 39 and IFRS 7 (Interest Rate Benchmark Reform). These modifications focus on the accounting of hedging operations in order to clarify the potential effects deriving from the uncertainty caused by the "Interest Rate Benchmark Reform". These modifications also require that companies provide additional information to the investors regarding their own hedging operations that are directly affected by such uncertainties.

The following is a list of the accounting standards, amendments and interpretations published by the IASB but which have not yet been endorsed.

- "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current". This document is aimed at clarifying how to classify the payables and other short or long-term liabilities. The changes will come into force on 1st January 2023.

- On 14 May 2020, the IASB published the following amendments, all applicable from 1st January 2022:
  - *Amendments to IFRS 3 "Business Combinations"*, published on 14 May 2020: the changes are aimed at updating the reference contained in IFRS 3 to the Conceptual Framework in the reviewed version without this implying modifications to the dispositions of IFRS 3.
  - *Amendments to IAS 16 "Property, Plant and Equipment"*: the changes are aimed at not allowing the deduction of the cost of the tangible assets received from the sale of goods produced during the test phase of the asset itself. Such revenues and the relative costs will thus be recorded in the income statement.
  - *Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"*: the amendment clarifies that in estimating the eventual cost of a contract, all of the costs directly attributable to the contract must be considered. As a result, the assessment of the eventual cost of a contract includes not only the incremental costs (such as the cost of the material used directly in processing, for example) but also all of the costs that the business cannot avoid, given that it has stipulated the contract (such as the portion of the staff costs and the amortization of the machinery used in fulfilling the contract, for example).
  - Annual Improvements 2018-2020: changes have been made to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments, AS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases".

Main estimates adopted by management and discretional assessments

While drawing up these abbreviated consolidated financial statements, the Directors of the Company have made some discretional assessments, estimates and hypotheses which influence the values of the revenues, costs, assets and liabilities and the indication of the potential liabilities on the date of the financial statements. However, the uncertainties surrounding these hypotheses and estimates may require a significant future adjustment of the book values of such assets and/or liabilities.

Estimates and hypotheses made

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

- Impairment test started: the non-financial assets with an indefinite lifetime are not amortized, but are subjected to impairment tests annually or whenever there are indicators of a loss of value. In this regard, it must be noted that the first three months of the year are still difficult to compare with the same period last year, when the pandemic had just begun to produce its effects at the beginning of March. However, during the quarter, although it was significantly affected by the increasing restrictions imposed on activities connected to tourism and out-of-home catering, the decrease in revenues showed dissimilar trends; after a significant reduction in the first two months, a positive trend was recorded in March, despite the stringent health limitations being imposed. The management team thus believes that the capacity of the Group to respond positively to the changing market requirements has been confirmed, considering the fact that, despite the current time of great uncertainty, the medium and long-term forecasts remain unchanged, in the conviction that the out-of-home foodservice market and the tourist vocation of this country will once again be rewarded by the recovery in the number of tourists, and as a result the consumption levels.

- Expected credit losses: the focus of the Company on the management of the trade receivables remains high, implementing methods that are calibrated to the situations and requirements of each territory and market segment. The objective remains that of safeguarding the corporate equity while maintaining a closeness to the customer which enables the timely management of receivables and the enhancement of customer support services.

- Economic and financial plans: the Company has made the economic and financial forecasts and those regarding performance levels in 2021 taking the impact of Covid-19 into account. Such forecasts may be further influenced in coming months by the performance of the tourist sector and market consumption figures.

- Other elements in the financial statements that were the subject of estimates and assumptions by the management team were the inventory depreciation provision and the determination of the amortizations.
These estimates, although supported by well-defined corporate procedures, do require that hypotheses be made mainly regarding the future realisable nature of the value of the inventories, and also the residual useful lifetime of the assets that may be influenced by both market trends and the information available to the top management team.

Financial Risks Management

The Covid-19 health emergency and consequent containment measures, with restrictions for the containment and stoppage of catering and hotel activities being imposed from the end of February 2020 until now, have significantly impacted the dynamics of the sector in which the Group operates, involving economic and financial tensions that have concerned all of the operators and have had an inevitable repercussion on the financial risks to which the Group is exposed in carrying out its business activities:

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

The management team immediately implemented a series of interventions aimed at managing both the trade net working capital, with specific regard to a continuing focus on the management of the receivables and inventories, and financial management.
Specifically, MARR defined a clear approach orienting its operating and management choices on the basis of certain strategic priorities.

The difficulty in accessing credit by the customers, also in the light of the current market trend because of Covid-19, has continued in this early part of 2021 and the management team is maintaining a close focus on credit management. The cost containment policies have also been confirmed, and are aimed at preserving the trade margin.

As regards the evolution of the financial situation of the Group, this depends on numerous conditions, including, in addition to the achievement of pre-established goals in terms of managing the trade net working capital, the trends of the banking and monetary markets, which are also influenced by the current economic situation.

MARR has also worked towards consolidating its leadership positions and its relations with the market, guaranteeing a high standard of service to its partners and clients, in complete respect of the health and hygiene regulations throughout the production line, capable of satisfying and guaranteeing the end consumer. It has thus enhanced its customer relations, achieving a closeness which has enabled the timely management of credit, which it has closely focused on with solutions based on credit merit.

Comments on the main items of the consolidated income statement

1. Revenues

(€thousand)	1st quarter 2021	1st quarter 2020
Net revenues from sales - Goods	184,229	255,614
Revenues from Services	25	36
Manufacturing on behalf of third parties	1	3
Rent income (typical management)	3	7
Other services	69	591
Total revenues	184,327	256,251

Revenues from sales and services and their trend, compared to the same period of the previous year, are the result of the major restrictions imposed on tourism and catering activities by the measures for the containment of the Covid-19 pandemic implemented in Italy at the end of February 2020 and still in force.
See that described in the Directors' Report for a more detailed analysis of the performance of revenues.

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

(€thousand)	1st quarter 2021	1st quarter 2020
Italy	165,947	234,298
European Union	13,501	12,710
Extra-EU countries	4,879	9,243
Total	184,327	256,251

2. Other revenues

The Other revenues are broken down as follows:

(€thousand)	1st quarter 2021	1st quarter 2020
Contributions from suppliers and others	3,745	5,056
Other Sundry earnings and proceeds	140	99
Reimbursement for damages suffered	338	152
Reimbursement of expenses incurred	68	119
Recovery of legal taxes	7	6
Capital gains on disposal of assets	1	66
Total other revenues	4,299	5,498

The "Contributions from suppliers and others", which also decreased because of the market trends due to the pandemic, that has been going on since February 2020, consist mainly of contributions obtained from suppliers for the commercial promotion of their products with our customers; see that described in the Directors' Report for a more detailed analysis of the performance.
Lastly, it should be recalled that a part of the contribution from suppliers, related to contracts for the recognition of the end-of-year bonuses, has been included to reduce the cost of purchasing materials.

3. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	1st quarter 2021	1st quarter 2020
Purchase of goods	162,164	222,553
Purchase of packages and packing material	511	900
Purchase of stationery and printed paper	94	125
Purchase of promotional and sales materials and catalogues	15	42
Purchase of various materials	49	124
Discounts and rebates from suppliers	(1,000)	(1,370)
Fuel for industrial motor vehicles and cars	47	70
Total purchase of goods for resale and consumables	161,880	222,444

As regards the performance of the purchase cost of goods destined for commercialisation, see the Directors' Report and the relevant comments on the gross margin.
As highlighted in the previous paragraph, the item "Purchases of goods" benefits for some 973 thousand Euros (1,350 thousand Euros in the first quarter 2020), of the part of contribution from suppliers identifiable as end-of-year bonuses.

4. Personnel costs

As at 31 March 2021 the item amounts to 6,404 thousand Euros (7,967 thousand Euros as at 31 March 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 decrease is the combined effect of two factors: on the one hand, the decrease in the average number of employees of the Group with 761.3 average employees in the first quarter of 2021 compared to 819.8 in the same period of the previous year and, on the other hand, the adjustment organization to the market situation through the use of social safety nets made available by the Government, an intensification of the use of holidays and less use of overtime.

5. Amortizations, depreciation and provisions

This item is composed of:

(€thousand)	1st quarter 2021	1st quarter 2020
Depreciation of tangible assets	1,650	1,742
Depreciation of right of use	2,250	2,152
Amortization of intangible assets	103	99
Adjustment to provision for supplementary clientele severance indemnity	181	286
Allocation of provision for risks and losses	246	0
Total amortization, depreciation and provisions	4,430	4,279

6. Losses due to impairment of financial assets

This item is composed of:

(€thousand)	1st quarter 2021	1st quarter 2020
Allocation of taxable provisions for bad debts	2,308	3,059
Allocation of non-taxable provisions for bad debts	421	494
Total Losses due to impairment of financial assets	2,729	3,553

The provision made against the persistence of uncertainty on the market is in line with the first quarter of 2020 in terms of percentage incidence on total revenues (1.5% in the first quarter of 2021 against 1.4% in the same period of 2020).

7. Other operating costs

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

(€thousand)	1st quarter 2021	1st quarter 2020
Operating costs for services	29,381	35,732
Operating costs for leases and rentals	49	110
Operating costs for other operating charges	348	429
Total other operating costs	29,778	36,271

Operating costs for services show a decrease compared to the same period of the previous year mainly due to the reorganization progressively implemented starting from March 2020 following the impacts of the pandemic on hotel and restaurant activities.

The operating costs for services mainly include the following items: sale expenses, distribution and logistics costs for our products for 23,151 thousand Euros (28,149 thousand Euros in the first quarter of 2020), utility costs for 2,039 thousand Euros (2,043 thousand Euros in the first quarter of 2020), handling costs for 579 thousand Euros (938 thousand Euros in the first quarter of 2020), third party works for 566 thousand Euros (1,016 thousand Euros in the first quarter of 2020) and maintenance costs amounting to 1,032 thousand Euros (1,381 thousand Euros in the first quarter of 2020).

The costs for the leases and rentals totalled 49 thousand Euros (110 thousand Euros in the same period of 2020) and represents the lease contracts not within the scope of application of the new accounting standard.

The operating costs for other operating charges mainly include the following items: "Other indirect duties, taxes and similar costs" for 147 thousand Euros, "Expenses for credit recovery" for 51 thousand Euros and "Local council duties and taxes" for 72 thousand Euros.

8. Financial income and charges

Details of primarily "Financial income and charges" are as follows:

(€thousand)	1st quarter 2021	1st quarter 2020
Financial charges	1,523	1,559
Financial income	(171)	(233)
Foreign exchange (gains)/losses	(262)	(138)
Total financial (income) and charges	1,090	1,188

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

It is specified that the financial charges included interest expenses for 383 thousand Euros (of which 29 thousand Euros related to lease contract with the related Company Le Cupole of Castelvetro (MO), for the lease of the buildings located in Via Spagna, 20 – Rimini) as a result of the application of IFRS 16.

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

The item amounts to a total of 156 thousand Euros and represents the valuation at equity of the investment in the associated company Jolanda de Colò S.p.A. (30 thousand Euros) and the write-down of equity investments in other companies (126 thousand Euros).

10. Taxes

(€thousand)	1st quarter 2021	1st quarter 2020
Ires/Ires charge transferred to Parent Company	150	130
Irap	24	29
Net provision for deferred taxes	(2,121)	(1,536)
Total taxes	(1,947)	(1,377)

Deferred taxes include also the estimate of deferred tax assets calculated on the tax loss for the quarter for about 1,450 thousand Euros.

11. Earnings / (losses) per share

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

(Euros)	1st quarter 2021	1st quarter 2020
Basic Earnings Per Share	(0.10)	(0.06)
Diluted Earnings Per Share	(0.10)	(0.06)

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

Earnings:

(€thousand)	1st quarter 2021	1st quarter 2020
Net result of the period	(6,350)	(4,048)
Minority interests	0	0
Result used to determine basic and diluted earnings per share	(6,350)	(4,048)

Number of shares:

(number of shares)	1st quarter 2021	1st quarter 2020
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

12. Other profits/losses

The other profits/losses accounted for in the consolidated statement of other comprehensive income consist of the effects produced and reflected in the period with reference to the following items:
- effective part of the operations for: hedging interest rates related to variable rate loans existing at the date; hedging exchange risk rate related to the bond in US dollars closed with an operation of private placement in the month of July 2013; effective part of the term exchange purchase transactions carried out by the Group to hedge the underlying goods purchasing operations. The value indicated, amounting to a total loss of 11 thousand Euros in the first quarter of 2021 (+873 thousand Euros in the same period of the previous year), is shown net of the taxation effect (that amounts to a positive effect for some 3 thousand Euros as at 31 March 2021).

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

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Rimini, 14 May 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 a complete part.

- Appendix 1 – Reconciliation of liabilities deriving from financing activities as at 31 March 2021 and 31 March 2020.

RECONCILIATION OF LIABILITIES DERIVING FROM FINANCING ACTIVITIES AS AT 31 MARCH 2021 AND AS AT 31 MARCH 2020

			Non-financial changes				
	31/03/2021	Cash flows	Other changes/ reclassifications	Acquisition	Exchange rates variations	Fair value variation	31/12/2020
Current payables to bank	48,989	(17,695)	0	0	0	0	66,684
Current portion of non current debt	109,659	1,327	8,207	0	0	0	100,125
Current financial payables for bond private placement in US dollars	250	(643)	296	0	0	0	597
Current financial payables for IFRS 16 lease contracts	8,824	(2,564)	2,860	0	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	0	0	0	0	0	0	0
Total current financial payables	167,722	(19,631)	11,363	0	0	0	175,990
Current payables/(receivables) for hedging financial instruments	0	(6)	0	0	0	0	6
Total current financial instruments	0	(6)	0	0	0	0	6
Non-current payables to bank	262,598	66,667	(8,323)	0	0	0	204,254
Non-current financial payables for bond private placement in US dollars	28,076	0	12	0	1,252	0	26,812
Non-current financial payables fot IFRS 16 lease contracts	48,755	0	3,821	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	0	0	0	0	0	0	0
Total non-current financial payables	339,429	66,667	(4,490)	0	1,252	0	276,000
Non-current payables/(receivables) for hedging financial instruments	50	(49)	0	0	0	50	49
Total non-current financial instruments	50	(49)	0	0	0	50	49
Total liabilities arising from financial activities	**507,201**	**46,981**	**6,873**	**0**	**1,252**	**50**	**452,045**

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	46,981
Other changes/ reclassifications, included the acquisition	6,873
Exchange rates variations	1,252
Fair value variation	50
Total detailed variations in the table	55,156
Other changes in financial liabilities	(16,950)
Net change in financial payables (IFRS16)	4,117
New non-current loans received	80,000
Net change in derivative/financial instruments	(5)
Non current loans repayment	(12,006)
Total changes shown between financing activities in the Cash Flows Statement	55,156

	31/03/2020	Cash flows	Non-financial changes Other changes/ reclassifications	Purchases	Exchange rates variations	Fair value variation	31/12/2019
Current payables to bank	31,296	(8,335)	0	835	0	0	38,796
Current portion of non current debt	115,072	(28,980)	13,976	0	0	0	130,076
Current financial payables for bond private placement in US dollars	9,457	(814)	386	0	226	0	9,659
Current financial payables for IFRS 16 lease contracts	8,210	(2,465)	736	2,028	0	0	7,911
Current financial payables for leasing contracts	261	(66)	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	164,296	(41,460)	15,154	3,663	226	0	186,713
Current payables/(receivables) for hedging financial instruments	0	(72)	0	0	0	0	72
Total current financial instruments	0	(72)	0	0	0	0	72
Non-current payables to bank	177,482	53,500	(13,509)	0	0	0	137,491
Non-current financial payables for bond private placement in US dollars	30,002	0	11	0	745	0	29,246
Non-current financial payables for IFRS 16 lease contracts	37,779	0	(735)	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	245,263	53,500	(14,289)	0	745	0	205,307
Non-current payables/(receivables) for hedging financial instruments	69	(66)	0	0	0	69	66
Total non-current financial instruments	69	(66)	0	0	0	69	66
Total liabilities arising from financial activities	409,628	11,902	865	3,663	971	69	392,158

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	12,702
Other changes/ reclassifications, included the acquisition	865
Exchange rates variations	971
Fair value variation	69
Total detailed variations in the table	14,607
Other changes in financial liabilities	(9,408)
Net change in financial payables (IFRS16)	(436)
New non-current loans received	57,500
Net change in derivative/financial instruments	(69)
Non current loans repayment	(32,980)
Total changes shown between financing activities in the Cash Flows Statement	14,607

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

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

Rimini, 14 May 2021

Pierpaolo Rossi
Manager responsible for the drafting
of corporate accounting documents