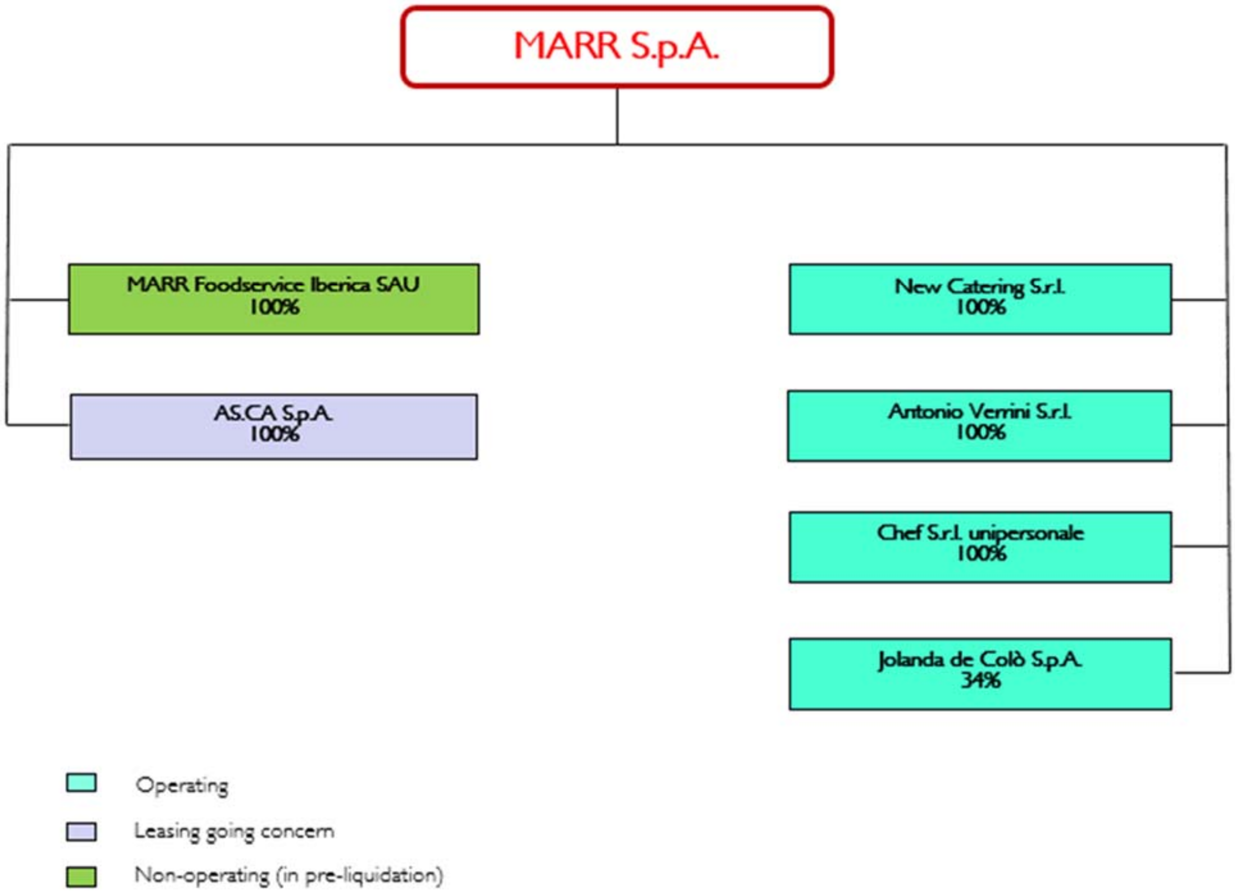
Annual Report as at December 31, 2021

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

TABLE OF CONTENTS

MARR GROUP ORGANISATION

as at 31 December 2021



The structure of the Group as at 31 December 2021 differs from that as at 31 December 2020 due to the purchase, finalized on 1 April 2021, by MARR SpA, of two companies of the Verrini Group operating in the fish market, both on the foodservice and distribution to final consumers:

- The company Antonio Verrini Srl, 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 favor of the Customers.
- Chef S.r.l. Unipersonale continues its current activities of processing fish products for their marketing both directly and through the structure of the MARR branches operating in the neighboring areas.

It should also be noted that on 27 September 2021 the merger by incorporation into the company MARR S.p.A. was completed. of the wholly owned company SìFrutta Srl, with legal effects starting from 30 September 2021 and accounting and tax effects backdated to 1 January 2021. The merger operation carried out is aimed at obtaining a rationalization of the economic, financial and administrative management, as the activities of SìFrutta Srl, from 1 May 2021, were limited to the lease of the business unit to the parent company MARR SpA.

The activity of the MARR Group is entirely aimed at the marketing and distribution of food products to the Foodservice, as follows:

Company	Activity
MARR S.p.A. Via Spagna n. 20 – Rimini	Sale and distribution of perishable, non-perishable, frozen and deep-frozen food products for Foodservice operators.
AS.CA S.p.A. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Company that from February 1, 2020 exercises a business lease to the parent company MARR S.p.A ..
New Catering S.r.l. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Sale and distribution of food products to bars and fast food outlets.
MARR Foodservice Iberica S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spain)	Non-operating company.
Jolanda de Colò S.p.A. Via 1° Maggio n. 21 – Palmanova (UD)	Production, sale and distribution of food products in the premium segment (high-end).
Antonio Verrini S.r.l. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Sale and distribution of fresh, frozen and deep-frozen fish products mainly in the Ligurian and Versilia areas.
Chef S.r.l. Unipersonale Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Sale and distribution of fresh, frozen and deep-frozen fish products mainly in the Romagna Riviera.

All subsidiaries are fully consolidated.
Associated companies are valued at equity.

BOARD OF DIRECTORS

Office	Name and Surname	Executive	Non-executive	Member of Control and Risk Committee	*Independence as provided by the Corporate Governance Code*	*Independence in accordance with art. 148 TUF*
Chairman	Ugo Ravanelli		✔			✔
Chief Executive Officer	Francesco Ospitali	✔				
Director	Claudia Cremonini		✔			
Director	Paolo Ferrari		✔			✔
Director (independent)	Marinella Monterumisi		✔	✔	✔	✔
Director (independent)	Alessandro Nova		✔		✔	✔
Director (independent)	Rossella Schiavini		✔	✔	✔	✔

BOARD OF STATUTORY AUDITORS

Office	Name and Surname
Chairman	Massimo Gatto
Statutory Auditor	Andrea Foschi
Statutory Auditor	Simona Muratori
Alternate Staturory Auditor	Alvise Deganello
Alternate Staturory Auditor	Lucia Masini

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

MANAGER RESPONSIBLE FOR THE DRAFTING OF CORPORATE ACCOUNTING DOCUMENTS

Pierpaolo Rossi

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

DIRECTORS' REPORT

Group performance and analysis of the results for the business year 2021

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

After a beginning of the year characterized by a market situation which, due to the restrictions put in place to face the spread of the infection from Covid19, with a prevalence of Italian regions in the red or orange zone and with foodservice activities not allowed except for home delivery and takeaway, had heavily penalized, also in comparison with the previous year, the consumption of the first quarter and of the Easter holiday period, as early as the second quarter the first timid signs of a recovery in consumption were detected.
The recovery was confirmed by the growth trend of a third quarter, which for Italy has always represented the most significant period for national tourism and therefore for out-of-home food consumption, characterized by a number of tourists exceeding expectations thanks to a strong increase in domestic vacationers who have not, however, fully compensated for the decline in foreigners, still held back by the difficulties caused by the pandemic.
Archived the summer season, the fourth quarter with out-of-home food consumption, which in the last quarter is concentrated in cities, confirmed the positivity of the market by continuing to approach and compare the levels of the pre-pandemic historical series, although affected in the last part of the period by the negative impact of the evolution of the contagion curve on consumption.

In light of the above, the 2021 financial year of the MARR Group closes with total consolidated revenues of 1,456.3 million Euros, a sharp increase compared to 1,073.7 million in 2020.

The gross operating margin (EBITDA) and the operating result (EBIT) for the year also made clear progress, amounting respectively to 90.5 million Euros (39.4 million in 2020) and 57.6 million Euros (2,8 million in 2020).

The net result for the year amounted to 35.1 million Euros (-2.4 million in 2020) and was affected by non-recurring charges of 2.9 million Euros recognized in the first half and relating to the early repayment (on 23 July 2021) for a net equivalent value of approximately 25 million Euros of the USPP bond loan in dollars signed in July 2013.

The commercial net working capital as at 31 December 2021 amounted to 140.2 million Euros, down from the 198.9 million Euros at the end of 2020.

The net financial position as at 31 December 2021 stood at 141.4 million Euros (192.3 million at the end of 2020).
Cash generation for the year (free cash flow) net of the change in the payable for IFRS 16 (-30.5 million) and after the payment of 22.1 million Euros of dividends is equal to 82.6 million Euros.

Consolidated shareholders' equity as at 31 December 2021 amounted to 349.5 million Euros (338.1 million Euros at the end of 2020).

Revenues from sales for the year 2021, which include the contribution of the acquisition of the Verrini Group (consolidated from 1 April 2021) for 52.5 million Euros, amounted to 1,432.6 million Euros, an increase of +35, 3% compared to 1,058.9 million in 2020.
In particular, sales in the second half, thanks also to the positive performance of the summer season, recorded a growth of + 45.3% compared to 2020, with an increase (+ 1.2%) also compared to the second half, pre- pandemic, of 2019.
The trend of the reference market, according to the findings of the Confcommercio Research Office (Confcommercio Congiuntura n. 2, February 2022), shows in 2021 a change in consumption (by quantity) for the item "Hotels, meals and out-of-home consumption" + 19.6% compared to 2020.

With reference to the only business sector which is the "Distribution of food products to the foodservice", we can analyze the sales in terms of customer types as follows.

Sales in 2021 to Catering customers, or to the Street Market and National Account segments, amounted to 1,171.3 million Euros (850.2 million in 2020); while sales to wholesalers (Wholesale segment) amounted to 261.3 million Euros (208.6 million in 2020).

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

MARR Consolidated (€thousand)	*31.12.21*	*31.12.20**
Revenues from sales and services by customer category		
Street market	909,955	645,025
National Account	261,392	205,183
Wholesale	261,266	208,576
Total revenues form sales in Foodservice	1,432,613	1,058,784
(1) Discount and final year bonus to the customers	(12,338)	(12,022)
(2) Other services	275	1,352
(3) Other	183	282
Revenues from sales and services	1,420,733	1,048,396

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

* It should be noted that the data as at 31 December 2020 have been restated in order to maintain comparability with the 2021 classification following the redefinition of the channels on some customers.

Organisation and logistics

The organisational structure and logistics of the MARR Group as at 31 December 2021, indicating the availability of properties, is as follows:

Offices, Branches, Distribution Centres and Subsidiaries

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

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 2021, compared to the previous year.

Analysis of the re-classified Income Statement

MARR Consolidated (€thousand)	31.12.21	%	31.12.20	%	% Change
Revenues from sales and services	1,420,733	97.6%	1,048,396	97.6%	35.5
Other earnings and proceeds	35,543	2.4%	25,281	2.4%	40.6
Total revenues	1,456,276	100.0%	1,073,677	100.0%	35.6
Cost of raw materials, consumables and goods for resale	(1,207,154)	-83.0%	(825,511)	-76.9%	(46.2)
Change in inventories	64,237	4.4%	(36,035)	-3.4%	278.3
Services	(183,942)	-12.6%	(143,414)	-13.3%	(28.3)
Leases and rentals	(478)	0.0%	94	0.0%	(608.5)
Other operating costs	(1,687)	-0.1%	(1,566)	-0.1%	(7.7)
Value added	127,252	8.7%	67,245	6.3%	89.2
Personnel costs	(36,721)	-2.5%	(27,826)	-2.6%	(32.0)
Gross Operating result	90,531	6.2%	39,419	3.7%	129.7
Amortization and depreciation	(17,993)	-1.2%	(16,128)	-1.5%	(11.6)
Provisions and write-downs	(14,913)	-1.0%	(20,451)	-1.9%	27.1
Operating result	57,625	4.0%	2,840	0.3%	1,929.0
Financial income and charges	(5,000)	-0.4%	(5,298)	-0.5%	5.6
Value adjustments to financial assets	(125)	0.0%	(222)	0.0%	43.7
Result from recurrent activities	52,500	3.6%	(2,680)	-0.2%	*
Non-recurring income	0	0.0%	0	0.0%	*
Non-recurring charges	(2,880)	-0.2%	0	0.0%	*
Result before taxes	49,620	3.4%	(2,680)	-0.2%	*
Income taxes	(14,609)	-1.0%	190	0.0%	*
Taxes relating previous years	60	0.0%	77	-0.1%	*
Total net result	35,071	2.4%	(2,413)	-0.2%	*

** Percentage change not included as it is not representative*

The operational management of the year 2021 recorded total revenues of 1,456.3 million Euros (1,073.7 million Euros in 2020) a Gross Operating Result (EBITDA[1]) equal to 90.5 million Euros (39.4 million Euros in 2020) and an Operating Result (EBIT) of 57.6 million Euros (2.8 million Euros in 2020).

[1] EBITDA (Gross Operating Result) is an economic indicator not defined in the IFRS, adopted by MARR starting from the financial statements at 31 December 2005.
EBITDA is a measure used by the company's management to monitor and evaluate its operating performance. Management believes that EBITDA is an important parameter for measuring the Group's performance as it is not influenced by the volatility due to the effects of the various criteria for determining taxable income, the amount and characteristics of the capital employed as well as the related policies of depreciation. As of today (after further investigation connected to the evolution of IFRS accounting practice) EBITDA (Earnings before interests, taxes, depreciation and amortization) is defined by MARR as Profit / Loss for the year gross of depreciation of tangible and intangible assets , provisions and write-downs, financial income and charges and income taxes.

"Revenues from sales and services" as at 31 December 2021 amounted to 1,420.7 million Euros, a sharp increase compared to the 1,073.7 million Euros in 2020, thanks also to the contribution of the acquisition of the Verrini Group (consolidated from 1 April 2021) for 52.5 million Euros.

The item "Other revenues and income", mainly represented by contributions from suppliers on purchases and which includes the logistical fees charged to suppliers, is related to the trend in costs for the purchase of goods and was positively impacted by the sales recovery trend compared to the previous year.

Operating costs recorded an improvement in the incidence on total revenues compared to the incidence of the previous year, highlighting a generalized recovery of efficiency.

At 31 December 2021 the cost of goods sold compared to total revenues was 78.6% against 80.2% in the same period of the previous year, and in absolute terms it was equal to 1,142.9 million Euros, against the 861.5 million Euros of December 31, 2020.

The cost of providing services is equal to 183.9 million Euros (143.4 million Euros as at 31 December 2020) and in percentage terms of total revenues shows an improvement compared to the previous year, going from 13.3% to 12.6%.

As regards the costs for the use of third party assets, it should be noted that it includes the leasing costs relating to contracts with a duration of less than twelve months and therefore not falling within the scope of application of IFRS16 and that last year the positive value was determined by the reduction in lease installments agreed during the second half of the year with the lessors of the offices of the Parent Company's branches following the health emergency which had determined the recognition of revenues equal to 351 thousand Euros. The benefit deriving from the definition of these agreements had been accounted for consistently with the provisions of the IFRS principle as a reduction in operating costs.

The cost of labor shows an increase of 8.9 million Euros which derives both from the decrease in the hours of social safety nets used in the year 2021 compared to the previous one and from the increase in the number of employees of the Group, which went from 770 to 917 and is mainly due to the entry into the consolidation area of the personnel costs of the subsidiaries Antonio Verrini Srl and Chef S.r.l. (acquired on 1 April 2021) to which 98 and 31 employees respectively belong. Specifically, the labor costs of Antonio Verrini S.r.l. is equal to 4.1 million Euros and that of Chef S.r.l. Unipersonale is equal to 863 thousand Euros.

The item "depreciation" equal to a total of 18.0 million Euros includes, for 10.3 million Euros (9.0 million in 2020) the amortization of the right of use recognized in the financial statements for lease contracts as envisaged by IFRS16. The increase in the item compared to last year is mainly attributable to the increase in the amortization of the "Right of use" in respect of the lease agreements held by the company Antonio Verrini S.r.l. (acquired as of April 1, 2021).

The item provisions and write-downs amounted to 14.9 million Euros, a decrease compared to 20.5 million in 2020. The incidence with respect to total revenues at 31 December 2021 was 1% compared to 1.9% of last year. At 31 December 2021, the balance consists of 14.5 million Euros from the provision for bad debts (19.3 million Euros at December 31, 2020), for 178 thousand Euros from the provision for additional customer indemnity and for 195 thousand Euros from the provision for future risks.

As a result of the above, the operating result amounted to 57.6 million Euros against the 2.8 million Euros of the previous year.

The result from ordinary financial management was negative for 5.1 million Euros, in line with the previous year (-5.5 million Euros). During the year 2021, the financial management was burdened by a non-recurring charge of 2.9 million Euros, relating to the make whole clause for the early repayment on 23 July 2021 of the last tranche of the residual debt of the USPP bond loan signed in July 2013 and with original maturity in July 2023, for a net value of approximately 25 million Euros.

As a result of the above, the pre-tax result amounts to 49.6 million Euros against a loss of 2.7 million Euros in the previous year.

The overall net result as at 31 December 202l, net of a tax charge for a total of 14.5 million Euros , was 35.1 million Euros, against a net loss in the previous year of 2.4 million Euros.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	*31.12.21*	*31.12.20*
Net intangible assets	163,391	153,488
Net tangible assets	79,601	75,517
Right of use assets	72,015	51,849
Equity investments evaluated using the Net Equity method	1,828	1,828
Equity investments in other companies	175	300
Other fixed assets	22,850	30,264
Total fixed assets (A)	339,860	313,246
Net trade receivables from customers	321,280	298,850
Inventories	199,852	134,581
Suppliers	(380,958)	(234,579)
Trade net working capital (B)	140,174	198,852
Other current assets	56,977	45,885
Other current liabilities	(27,852)	(13,712)
Total current assets/liabilities (C)	29,125	32,173
Non-current assets held for sale (D)	0	2,400
Net working capital (E) = (B+C+D)	169,299	233,425
Other non current liabilities (F)	(2,529)	(1,868)
Staff Severance Provision (G)	(8,556)	(7,275)
Provisions for risks and charges (H)	(7,137)	(7,100)
Net invested capital (I) = (A+E+F+G+H)	490,937	530,428
Shareholders' equity attributable to the Group	(349,507)	(338,112)
Consolidated shareholders' equity (J)	(349,507)	(338,112)
(Net short-term financial debt)/Cash	152,693	90,443
(Net medium/long-term financial debt)	(219,331)	(229,297)
Net financial debt - before IFRS16 (K)	(66,638)	(138,854)
Current lease liabilities (IFRS16)	(10,074)	(8,528)
Non-current lease liabilities (IFRS16)	(64,718)	(44,934)
IFRS16 effect on Net financial debt (L)	(74,792)	(53,462)
Net financial debt (M) = (K+L)	(141,430)	(192,316)
Net equity and net financial debt (N) = (J+M)	(490,937)	(530,428)

Analysis of the Net Financial Position [III]

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

	MARR Consolidated (€thousand)	Note	*31.12.21*	*31.12.20*
A.	Cash		6,505	3,633
	Bank accounts		243,467	247,842
	Postal accounts		22	16
B.	Cash equivalent		243,489	247,858
C.	**Liquidity (A) + (B)**	13	**249,994**	**251,491**
	Current financial receivable due to Parent Company		5,787	5,794
	Current financial receivable due to Related Companies		0	0
	Others financial receivable		0	626
D.	Current financial receivable	10	5,787	6,420
E.	Current derivative/financial instruments	7	0	0
F.	Current Bank debt		(45,987)	(66,684)
G.	Current portion of non current debt		(52,227)	(100,125)
	Financial debt due to Parent Company		0	0
	Financial debt due to Related Companies		0	0
	Other financial debt		(4,874)	(659)
H.	Other current financial debt		(4,874)	(659)
I.	Current lease liabilities (IFRS16)	24	(10,074)	(8,528)
J.	Current financial debt (F) + (G) + (H) + (I)	23/24/25	(113,162)	(175,996)
K.	Net current financial indebtedness (C) + (D) + (E) + (J)		142,619	81,915
L.	Non current bank loans	16/18	(119,489)	(204,254)
M.	Non-current derivative/financial instruments	7	0	1,818
N.	Other non current loans	16/18	(99,842)	(26,861)
O.	Non-current lease liabilities (IFRS16)	17	(64,718)	(44,934)
P.	Non current financial indebtedness (L) + (M) + (N) + (O)		(284,049)	(274,231)
Q.	Net financial indebtedness (K) + (P)		(141,430)	(192,316)

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

Compared to 31 December 2020, the overall net financial debt recorded an improvement of 50.9 million Euros thanks to the cash flow generated by ordinary operations, net of outlays for investments made in the year equal to 19.2 million Euros and to the payment of dividends for 22.1 million Euros, confirming, among other things, Cash and Cash at December 31, 2021 for 250 million Euros, substantially in line with the previous year (251.5 million Euros at December 31, 2020). Current financial receivables are also in line with the previous year, amounting to 5.8 million Euros.

As regards the structure of the financial debt, there was an improvement in the current financial debt of 62.8 million Euros and a worsening of the non-current financial debt of 9.8 million Euros, both net of the effect of IFRS16. Excluding the effect of the increase in the financial debt for leases (IFRS 16), the current financial debt recorded an improvement of 64.4 million Euros and the non-current financial debt also recorded an improvement of 10 million Euros.

Financial payables for IFRS16 leases, current and non-current, increased mainly as a result of the consolidation of the companies Antonio Verrini S.r.l. and Chef S.r.l. Unipersonale, control of which was acquired on 1 April 2021. The acquisition of control of the company Antonio Verrini S.r.l. resulted in the entry of no. 52 leases: n. 7 relating to industrial buildings and n. 45 contracts relating to other assets, while the consolidation of Chef S.r.l. resulted in the entry of no. 3 leases: n. 1 relating to an industrial building and n. 2 contracts relating to other assets.

In addition to the ordinary advancement of mortgage repayment plans, the main operations that took place during the year that impacted the structure of the components of current and non-current bank financial debt are:

- the early repayment on 31 July 2021 of the loan signed on 30 October 2019 with Caixa Bank S.A. for the amount of 25 million Euros;
- the signing on 22 September 2021 of a medium-term loan with Riviera Banca of 10 million Euros with an amortization plan of 36 months, 12 of which for pre-amortization;
- the early repayment on 30 September 2021 of the pooled loan with BNL and Cassa Depositi e Prestiti signed on 30 December 2020 for the amount of 80 million Euros.

With regard to the movement of the financial debt component to other lenders, the following transactions occurred during the year:
- the early repayment on 23 July 2021 of the USPP bond loan signed in July 2013 for the amount of 25.3 million Euros in addition to the amount of 2.9 million Euros relating to the make whole clause for early repayment;
- the completion on 29 July 2021 of an unsecured bond loan (Senior Unsecured Notes) for 100 million Euros with a duration of 10 years.

As a result of the transactions described above, the item Other non-current payables went from 26,861 million Euros to 99,842 million Euros.

Finally, compliting the examination of the main financial movements that took place in 2021, in addition to the ordinary management and financial disbursements relating to the investments made at the branches of the Parent Company (as better specified in the following paragraph "Investments"), payment by the Parent Company in April of 4.7 million Euros for the purchase of all the shares of Antonio Verrini Srl and 0.2 million Euros for the purchase of all the shares of Chef S.r.l. Unipersonale.

Analysis of the Net Commercial Working Capital

MARR Consolidated (€thousand)	31.12.21	31.12.20
Net trade receivables from customers	321,280	298,850
Inventories	199,852	134,581
Suppliers	(380,958)	(234,579)
Trade net working capital	140,174	198,852

Net commercial working capital as at 31 December 2021 amounted to 140.2 million Euros, a decrease of 58.7 million Euros compared to 198.9 million at 31 December 2020.
In particular, it should be noted that the increase in trade receivables compared to 2020 is affected by the increase in sales recorded in 2021 compared to last year, which had been most impacted by the effects of the restrictions on commercial activities resulting from the measures of the Covid 19 pandemic. The Group continues to pay constant attention to credit management.
Inventories show an increase of 65.3 million Euros compared to 31 December 2020, mainly attributable to the timing of the fishing campaigns and specific procurement policies mainly in the frozen fish product market.
Payables to suppliers show an increase of 146.4 million Euros compared to 31 December 2020, mainly due to the concentration of supplies, as described above, in the last two months of the year.

The commercial working capital at the end of the year remains aligned with the objectives of the company.

Re-classified cash-flow statement

MARR Consolidated (€thousand)	31.12.21	31.12.20
Net profit before minority interests	35,071	(2,413)
Amortization and depreciation	18,000	16,132
Change in Staff Severance Provision	1,281	(1,023)
Operating cash-flow	54,352	12,696
(Increase) decrease in receivables from customers	(22,430)	69,792
(Increase) decrease in inventories	(65,271)	35,814
Increase (decrease) in payables to suppliers	146,379	(89,956)
(Increase) decrease in other items of the working capital	15,968	6,108
Change in working capital	74,646	21,758
Net (investments) in intangible assets	(10,396)	(1,609)
Net (investments) in tangible assets	(8,838)	(13,674)
Flows relating to acquisitions of subsidiaries and going concerns	(4,684)	(800)
Investments in other fixed assets and other change in non current items	(23,918)	(16,083)
Free - cash flow before dividends	105,080	18,371
Distribution of dividends	(22,086)	0
Other changes, including those of minority interests	(397)	728
Cash-flow from (for) change in shareholders' equity	(22,483)	728
FREE - CASH FLOW	82,597	19,099
Opening net financial debt	(192,316)	(196,015)
Effect for change in liability for IFRS16	(30,513)	(15,400)
Cash-flow for the period	82,597	19,099
Dividends approved and not distributed	(1,198)	0
Closing net financial debt	(141,430)	(192,316)

Net of the impact deriving from IFRS16, ordinary management has generated an improvement in free cash flow before dividends compared to the previous year for approximately 86.7 million Euros.

Below we insert the reconciliation between the "cash flow for the period" indicated above and the change in cash flow indicated in the cash flow statement contained in the subsequent accounting schedules (constructed according to the indirect method):

MARR Consolidated (€thousand)	31.12.21	31.12.20
Free - cash flow	82,597	19,099
(Increase)/Decrease in current financial receivables	633	(2,770)
Increase/(Decrease) in net financial debt	(84,727)	42,669
Increase (decrease) in cash-flow	(1,497)	58,998

Investments

Below is a summary of the Net Investments made in the year 2021:

(€thousand)	*31.12.21*
Intangible assets	
Patents and intellectual property rights	472
Concessions, licenses, trademarks and similar rights	445
Fixed assets under development and advances	165
Goodwill	9,314
Total intangible assets	10,396
Tangible assets	
Land and buildings	1,064
Plant and machinery	2,744
Industrial and business equipment	546
Other assets	1,671
Fixed assets under development and advances	2,817
Total tangible assets	8,842
Total	19,238

With regard to investments in intangible fixed assets, it should be noted the purchase on 1 April 2021 of the shares of 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. resulted in the 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 categories "Plant and machinery" (for 121 thousand Euros) and " Other assets" (for 121 thousand of Euros).
The acquisition of Chef S.r.l. entailed the recognition of goodwill provisionally attributed to goodwill and then allocated to the trademark equal to 212 thousand Euros and tangible fixed assets for a net book value of 10 thousand Euros, mainly concentrated in the "Other assets" and intangible fixed assets for 12 thousand Euros (in the category "Rights to use intellectual property").

The increases in other intangible assets are related to the purchase of new software, partly still in the implementation phase.

With regard to tangible fixed assets, we note the increase in the item "Land and buildings" mainly due to the purchase of land located in Bottanuco (province of Bergamo) for the amount of 1.5 million Euros and intended for construction of a new operating unit and the increase in the items "Plant and machinery", "Other assets", "Assets under construction and advances" for investments in some branches of the Parent Company (MARR Dolomiti for 0.3 million Euros, MARR Adriatico for 0.6 million Euros, Logistic Platform Piacenza for 1.06 million Euros).

The other main increases and decreases affecting tangible and intangible fixed assets during the year derive from:
- the completion of the headquarters located in the Municipality of Santarcangelo di Romagna (which came into operation in February 2021), in relation to which the increases mainly concerned the item "Land and buildings" for 1,087 thousand Euros and the item "Plants and machinery" for 176 thousand Euros.
- the purchase of plant and machinery and industrial and commercial equipment for the new MARR Catania branch (approximately 700 thousand Euros), operational since mid-March.
- the sale, carried out in May 2021 of the property located in Santarcangelo di Romagna in Via dell'Acero 1/A, where the head office was previously located. 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.

Research and development activities

The main research and development activities concerned the expansion of the private labels product line.

Transactions with related parties

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

In addition to that already reported in the "Group Structure" section, the following is a summary of the principal data concerning subsidiary and associated companies:

(€ thousand)	*Annual report*	*Value of production*	*Cost of production*	*Profit (loss) for the year*	*Net Investments*	*Employees (number)*	*Net Equity*
Foodservice Companies							
AS.CA S.p.A.	31/12/2021	2,661	481	1,596	41	0	9,854
New Catering S.r.l.	31/12/2021	26,557	25,586	710	103	29	10,302
Marr Foodservice Ibérica S.A.U.	31/12/2021	0	10	(5)	0	0	401
Antonio Verrini S.r.l.	31/12/2021	45,894	44,572		(3)	98	6,606
Chef S.r.l. unipersonale	31/12/2021	8,231	8,718	(448)	368	31	(93)
Associated Companies							
Jolanda De Colò S.p.A.	31/12/2021	24,178	24,387	(199)	481	52	1,439

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 respectively approximately 11% of the total consolidated purchases and 2,8% of the total consolidated revenue from sales and services carried out by the Group

The economic and financial data for the 2021 business year is showed in the following table, classified by 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	Personnel costs	Financial charges
From Parent Companies:																
Cremonini S.p.A. (*)	2,546	12	5,787	689	11,489		9			22		1,221				9
Total	2,546	12	5,787	689	11,489	0	9	0	0	22	0	1,221	0	0	0	9
From unconsolidated subsidiaries:																
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies:																
Jolanda De Colò							7									
Total	0	0	0	0	0	0	7	0	0	0	0	0	0	0	0	0
From Affiliated Companies (**)																
Cremonini Group																
Castelfrigo S.r.l.		5		41					5		102					
Chef Express S.p.A.	1,286						4,804		(7)			11				
C&P S.r.l.	267						628									
Fiorani & C. S.p.a.	1	421		2,375			16		450		20,265					
Global Service S.r.l.		6		379								1,161				
Guardamiglio S.r.l.	8						32									
Inalca Food and Beverage S.r.l.	941			2	2		7,884	154			7	2				
Inalca S.p.a.		78		31,639			24		1,277		103,544	9				
Italia Alimentari S.p.a.	6	161		469			6		206		4,828					
Roadhouse Grill Roma S.r.l.	687						2,424									
Roadhouse S.p.A.	7,560				4		23,860	15				1				2
From Affiliated Companies																
Le Cupole S.r.l.						3,537										112
Verrini Holding S.r.l.		62														
Verrini Immobiliare S.p.A.	10	33		18		2,399	9		128		3,440	63			11	54
Time Vending S.r.l.		20							20							
Total	10,766	786	0	34,923	6	5,936	39,687	169	2,079	0	132,186	1,247	0	0	11	168

(*) 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.

	Receivables Trade	Receivables Other	Receivables Financial	Payables Trade	Payables Other	Payables Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Personnel costs	Financial charges
From Oter Related Parties																
Members of top management team					431							740				
Total	0	0	0	0	431	0	0	0	0	0	0	740	0	0	0	0

Other Information

The Company neither holds nor has ever held shares or quotas of parent companies, even through third party persons and/or companies; consequently, during 2021, the company never purchased or sold the above-mentioned shares and/or quotas.
As at 31 December 2021, the Company does not own treasury shares.
During the year, the Group did not carry out atypical or unusual operations.
As regards the report on the reconciliation between the result for the period and the net Equity of the group, and the same values for the Parent Company, refer to Appendix 3 of the consolidated financial statements.

Adoption of the ESEF taxonomy (European Single Electronic Format)

The Directive 2013/50 / EU - which amends Directive 2004/109 / EC (the so-called "Transparency Directive") - establishes that starting from January 1, 2021, European listed companies must prepare annual financial reports in the same format single electronic communication, known as the European Single Electronic Format (ESEF). The new format is a combination of xHTML (eXtensible HyperText Markup Language), for the presentation of financial reports in a format that can be read by human users, and XBRL (eXtensible Business Reporting Language) markups. XBRL markups must be incorporated into xHTML using the inline-XBRL or iXBRL specifications. The obligation to use the iXBRL will take place in two stages:
First phase: for the financial year 2021, the companies concerned must tag, in addition to the basic data, all the numbers present in the statements of financial position, profit (loss) for the year, statement of other comprehensive income, changes in Shareholders' equity and the cash flow statement.
Second phase: from 1 January 2022, the iXBRL will extend to the disclosure contained in the notes.
All with the aim of facilitating the accessibility, analysis and comparability of financial statements prepared according to the International Financial Reporting Standard (IFRS).

In compliance with the foregoing, MARR has drawn up this annual financial report in XHTML format, supplemented by appropriate XBRL markings as regards the consolidated financial statements relating to:

- Consolidated statement of financial position
- Consolidated statement of profit or loss
- Consolidated statement of other comprehensive income
- Consolidated statement of changes in Shareholders' Equity
- Consolidated cash flows statement

XBRL markups will be incorporated into xHTML using the inline-XBRL specifications.

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

Report on corporate governance and the ownership structure

As regards the information required by art. 123 bis of the Consolidation Act on Finance, see that contained in the "Report on Corporate Governance and the Ownership Structure", drawn up in compliance with the regulations in force and published together with this report on the company website www.marr.it, Corporate Governance section and also available at the Company headquarters.

It must also be pointed out that MARR S.p.A. adheres to and abides by the Code of Self-Governance for listed companies approved by the Corporate Governance Committee and produced in its current version in June 2011 by the Business Associations (ABI, Ania, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of Professional Investors (Assogestioni).

Significant events during 2021

On March 5, 2021 MARR announced that it had signed a binding Framework Agreement to purchase all the shares of a newly incorporated company, in which all the operating activities of Antonio Verrini & Figli S.p.A. would be conferred. ("Verrini"), including those of processing and marketing of fish products, and of Chef S.r.l. Unipersonale (Chef).

On 1 April 2021, following the approval of the Italian Antitrust Authority, MARR concluded the acquisition of the two companies of the Verrini Group (with total revenues of approximately 55 million Euros in the 2020).
The company Antonio Verrini Srl, specifically established for the purposes of the aforementioned acquisition, 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 of assisting the MARR branches in increasing the level of service, on the product categories that characterize it, in favor of customers. This company, in addition to its skills in terms of procurement, is able to enhance purchases also through its presence in the retail and wholesale channels, which are fundamental for product segmentation. Furthermore, its specialization in the foodservice channel, which represents over half of Verrini's sales, can create important synergies in the MARR Group on offer, aimed in particular at Street Market customers in the territories of Piedmont, Liguria and Tuscany.
Chef S.r.l. Unipersonale operates mainly towards catering customers in the Romagna Riviera served by the distribution center of San Clemente (Rimini), it continues the activities of processing fish products for marketing both directly and through the structure of the MARR branches operating in the neighboring areas.
This acquisition is of a strategic nature for the Group and confirms the precise intent of the MARR Group of strengthening itself in the field of product categories that are extremely important for customers and with greater difficulty in managing and handling, as well as the ability to consolidate the market through synergistic and functional to their objectives.

With effect from 1 May 2021, the subsidiary Sìfrutta S.r.l. has rented its going concern to the Parent Company. From this date, the subsidiary's activities have been carried out by the new MARR SìFrutta branch located in Rimini, Via Cina n. 4. On May 24, 2021, the plan for the merger by incorporation into MARR S.p.A. was filed with the Register of Companies. of the wholly owned company Sìfrutta S.r.l., and on 27 September 2021, with deed of the Notary Stefania di Mauro of Rimini, the merger by incorporation into MARR S.p.A. was completed. of the wholly owned company Sìfrutta S.r.l., approved by the Board of Directors on 21 July 2021. The legal effects of the transaction began from 30 September 2021 while the accounting and tax effects were backdated to 1 January 2021.

Starting from 12 April 2021, the new branch of MARR Catania is operational, a facility intended for the best coverage of Eastern Sicily with a consequent increase in the level of service offered in an area with a strong tourist vocation and with important growth prospects.

On April 28, 2021, the Shareholders' Meeting approved the financial statements at December 31,2020 and resolved to carry forward the loss for the year.
During the Shareholders' Meeting, the First Section was presented and the Second Section of the Report on the remuneration policy and remuneration paid was approved (see what is reported in the section of the web site www.marr.it/corporate-governance/assemblee).

The Board of Directors held on May 14, 2021, within the terms provided for in Art. 14 of the By Laws of the Company and therefore pursuant to Art. 2386 of the Civil Code and with the favorable 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, has appointed Dr. Paolo Ferrari as Director (whose CV is available on the Company's website and which as of today does not appear to hold any shares of the Company). He will expire on the same date as the other Directors currently in office and therefore on the date of approval of the financial statements at 31 December 2022.

On July 21, 2021, the Board of Directors approved the issue of the Senior Unsecured Notes for 100 million Euros, intended for a US institutional investor (Pricoa Private Capital, a company of The Prudential Insurance Company of America). The duration of this bond loan is 10 years from the closing date, which took place on 29 July 2021.

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

On 6 September 2021, the Shareholders' Meeting approved the distribution of a gross dividend of 0.35 Euros with "ex-dividend" (No. 16) on 18 October, record date on 19 October and payment on 20 October. The total amount of approved dividends was equal to 23,283 thousand Euros, of which at the date of this report already paid except 1,198 thousand Euros which will be paid shortly.

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

On 6 October 2021, the 2020 sustainability report was made available in the Sustainability section of the Company's website through the link www.marr.it/sostenibilita/bilancio-di-sostenibilita. The Sustainability Report integrates the Non-Financial Declaration (NFD) prepared with the 2020 Financial Statements.
On 13 December 2021 the subsidiary Chef S.r.l. Unipersonale has acquired full ownership of the Chef SeaFood company owned by Chef SeaFood S.r.l. in liquidation. The Company consists of systems, authorizations, equipment, trademarks, other intangible assets, licenses, permits, authorizations and includes the temporary use of a property. The price paid for the company was equal to 350 thousand Euros. MARR believes it can ensure the fair and lasting enhancement of the Company, with objective development potential, through integration into its commercial and distribution organization.

Subsequent events after the closing of the year

MARR has recently signed a binding framework agreement for the purchase of all the shares of a newly incorporated company Frigor Carni S.r.l. assignee of all the activities of Frigor Carni S.a.s., except the facility that will be rented. The company is based in Montepaone Lido (Catanzaro) and operates in the sale and distribution of food products to the food service.

Frigor Carni, founded more than 40 years ago by the Viscomi family, with over 13 million Euros in sales in 2021 (they were about 16 million in 2019, before the pandemic), about 800 customers served and 15 delivery vehicles, is the reference operator in Calabria and in particular in an area, the Ionian one, with a strong tourist vocation.
The company's commercial proposal is characterized by a significant specialization in the offer of fish products, aimed mainly at independent catering customers.

MARR, which already operates in the area from its branch of MARR Calabria in Spezzano Albanese (Cosenza), through the distribution unit of Frigor Carni, located in Montepaone Lido, strengthens its presence in the area, thus being able to raise the level of customer service and the offer of local products.

The transaction, whose closing is expected to take place next April 1, provides for a valuation of 4.8 million Euros (including tangible fixed assets) with partly deferred payment, as well as an earn-out subject to the achievement of specific objectives in 2023 and 2024. The management of Frigor Carni has also been confirmed in the persons of Messrs. Viscomi, who will be entrusted with the operational and commercial management of the newly formed company.

The acquisition of Frigor Carni confirms MARR's role as market aggregator, which continues to strengthen its leadership both through a path of organic growth and targeted acquisitions, aimed at increasing service specialization.

Outlook

After the pandemic resurgence of December 2021 and January 2022, with the gradual improvement of health conditions in February, the out-of-home food consumption has once again confirmed its reactivity, resuming the path of realignement with the pre-pandemic historical series.
In this context, the sales of the MARR Group in the first two months of 2022, up compared to 2021, showed, in comparison with the pre-pandemic levels of 2019, a decline in January and a subsequent realignment in February.

The foodservice market is in any case impacted by inflationary dynamics that are generally affecting most of the commodities marketed by MARR and to which is added the increase in energy costs (accentuated by current international tensions) which makes its effects felt on conservation and distribution of products. Against this, the level of attention of the management remains strong to maintain a high level of customer service while keeping the management of operating costs under strict control.

Expectations out-of-home food consumption are for a normalization of consumption dynamics from the beginning of the next summer season, which MARR will face with a proximity to the customer and a presence in the market that have further strengthened since the beginning of the pandemic.

In this context, it should also be remembered that MARR has an organizational and distribution structure that is widespread throughout the national territory and is therefore able to guarantee an adequate level of service to all customers and in every area and activity in which food consumption is present. out-of-home, including those functional to public and health services, such as hospitals and facilities for the elderly.

Thanks to its consolidated leadership and its distribution network, MARR continues to concentrate its efforts in adapting the organizational measures and the management of the service that receive the appreciation of the Customers, who, with the support of this distribution system, can dedicate more their skills effectively in identifying areas for future development.

The Company pays great attention to the management of trade receivables and operating costs, which have always been characterized in MARR by a high incidence in the variables, with the aim of guaranteeing the continuity of quality, product and service. offered to the market, in order to help alleviate where possible the contingent difficulties of customers and allow MARR to be ready to return to full activity as soon as the current uncertainties are resolved.

Business continuity

MARR has defined a clear approach - reaffirmed at the beginning of the pandemic and remodeled in the continuous changes of context that have taken place over the last year - which it is concretely implementing in pursuing its strategic guidelines:

i. strengthening of liquidity, at the end of 2021 MARR recorded 250 million Euros liquidity (251.5 million Euros as of 31 December 2020), doubling the levels of the beginning of the pandemic, thanks to the cash flow generated by management as a consequence of the increase in sales compared to the previous year, the confidence of financial institutions, a careful management of all components of working capital and a selective approach to investments, favoring those aimed at growth;

ii. correct management of operating costs, achieved through the intervention on fixed costs and the optimization of the management of the logistics and distribution network in a flexible way in the various phases of the pandemic, always with the aim of not losing support and service to the Customer;

iii. consolidation of its leadership position and relationship with the market by guaranteeing its professional partners / customers a high standard of service, in full compliance with health regulations throughout the supply chain, capable of satisfying and guaranteeing the final consumer. With a view to customer service, it is recalled that the initiatives for the monetization of government contributions continued in 2021 (eg management of the "Holiday Bonus" and "Rental Bonus"), in addition to the offer of local products and Made in Italy. Customer who remains at the center of MARR's attention through an integrated approach, which is based on "phygital marketing" initiatives or a balanced combination of "physical" approach and "digital" tools;

iv. identification of new business opportunities with particular regard to forms of service (take away, food delivery) and product lines (eg packaging, sanitizers, disinfectants, food ready to eat) that have strengthened during the pandemic;

v. further strengthening of MARR's competitive position following the foreseeable consolidation of the market as soon as the pandemic emergency is over. In this consolidation process, which will benefit the more structured operators, MARR, in line with its role as leader, will seize the opportunities that strengthen its offer and presence to further raise its level of service. In this respect, the acquisitions made in 2021 of the companies Antonio Verrini S.r.l. and Chef S.r.l. Unipersonale in the sector of processing and marketing of fish products (fresh in particular) and the signing in these days a binding framework agreement for the purchase of all the shares of a newly established company, Frigor Carni Srl, represent a confirmation of the role of Market aggregator of MARR, which continues to strengthen its leadership both through a path of organic growth and through targeted acquisitions, aimed at increasing service specialization;

vi. ESG, MARR as market leader has always paid high attention and intends to implement more and more concrete actions aimed at Sustainability. In order to achieve this goal, the drafting of the Sustainability Report - Consolidated Non-Financial Statement 2021 pursuant to Legislative Decree 254/2016 is included. MARR, for the purposes of preparing the Sustainability Report - Consolidated Non-Financial Declaration 2021, has implemented an analysis process conducted according to the guidelines for sustainability reporting of the GRI (Global Reporting Initiative) Standard aimed at identifying the issues that could affect the ability to create value and which are most relevant to the Company and its stakeholders. The Sustainability Report will be made public on the Company's website within the terms of the law.

While considering the complexity of a rapidly evolving market context, the Company considers the going concern assumption appropriate and correct, taking into account its ability to meet its obligations in the foreseeable future and in particular in the next 12 months, also on the basis of the solidity of the financial structure of the Group with reference to which the following is highlighted:

- the substantial stock of available liquidity (more than 250 million Euros at 31 December 2021);
- credit lines granted and not used as at 31 December 2021 for an amount not less than 200 million Euros;
- the support of the main banks, thanks to its leadership position in the sector in which it operates;
- compliance with the financial covenants at both June 30, 2021 and December 31, 2021 and, on the basis of this, a forecast of confirmation of the same also for the future;
- the subscription on 29 July 2021 of an unsecured bond loan (Senior Unsecured Notes) for 100 million Euros, intended for a US institutional investor (Pricoa Private Capital, a company of The Prudential Insurance Company of America) with a duration of 10 years.

Main risks and uncertainties

In carrying out its business, the Company is affected by financial risks, as fully described in the Explanatory Notes and where by these we mean: market risk (as a combination of currency risk for foreign purchases of goods, interest rate risk and price risk), credit risk and liquidity risk.
It should also be considered that although the Company operates in the food distribution sector, which is usually characterized by substantial stability, also for the year 2021 it is affected by the effects of the protracted health emergency linked to the Covid-19 pandemic and the general conditions of the economy and is therefore exposed to the uncertainty of the current macroeconomic framework.
In this market context, management's attention to credit management remains high, also taking into account a financial market still not aligned with the pre-pandemic periods.
Cost containment policies aimed at preserving the commercial margin are also confirmed.
As regards the evolution of the financial situation of the Group, this depends on numerous conditions among which, in addition to the achievement of the objectives set in terms of management of the commercial net working capital, also by the performance of the banking and money market, which are also influenced from the current economic situation.
With regard to the specific risks and uncertainties of MARR's and the Group's business, please refer to what is fully described in the paragraph "Provisions for non-current risks and charges" of the Commentary Notes.

Human resources

The employees of the MARR Group at the end of December 2021 amounted to 917 (of which 8 Executives, 43 Middle Managers, 595 White collars and 271 Blue collars), with an increase of 147 units compared to the end of 2020 (770 employees). The increase is mainly related to the number of employees who joined the Group following the acquisitions finalized on 1 April 2021 of the totality of the shares of the company Antonio Verrini S.r.l. and the company Chef S.r.l. Unipersonale, to which 98 and 31 employees respectively as of December 31, 2021.

Mainly as a consequence of the above, the average number of employees in 2021 was 880, compared to 800 in 2020.

In addition to employees, the Group has over 850 commercial employees and a transport network with around 800 vehicles.

With regard to information relating to training and safety in the workplace, please refer to the details in the paragraphs "Health and safety at work" and "Human resources" of the Sustainability Report / Non-financial Declaration pursuant to Legislative Decree 254/2016 .

Cost of labor
The cost of labor also shows an increase of 8.9 million Euros compared to the previous year, mainly attributable to the changes in the workforce reported above and secondarily to the lower use of social safety nets compared to the previous year. During the year 2021, the hours of social safety nets used amounted to 182,298.

Environmental information

There are no pending criminal proceedings for the Group relating to damage caused to the environment.
In this regard, it should be noted that the quality of the wastewater discharged into the sewer or in the course of the surface is monitored by means of periodic analyzes carried out in self-control to verify compliance with the limits set by the law and where required our operating units are in possession of authorization to discharge or single environmental authorization (AUA) or single environmental authorization currently being renewed, as required by the provisions of the relevant law.
The waste produced by the activity, consisting mainly of packaging residues such as paper, plastic, glass and by-products of animal origin, deriving from the processes carried out in some local units, are disposed of in compliance with the provisions of the law on environmental and health matters, through the public service and partly through private disposers.
For more information, see the contents of the Sustainability Report / Consolidated Non-Financial Declaration at 31 December 2021, approved by the Board of Directors on the same date of approval of the draft separate and consolidated financial statements of the MARR Group and made available in terms of the law on www.marr.it/sostenibilita/bilancio-di-sostenibilita.

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

The Board of Directors certifies that the conditions inhibiting flotation on the stock market pursuant to art. 37 of Market Regulation 16191/2007 concerning companies subject to the management and coordination of others are not applicable.

MARR and sustainability: fulfilments ex Legislative Decree 254/2016

Sustainability is a point of constant attention and the Group reports on its policies and performance with particular regard to environmental, social, personnel, human rights and the fight against active and passive corruption.
These issues, together with the others identified as priorities in the context of the materiality analysis, are reported and detailed in the Sustainability Report of the MARR Group, which also performs the function of Consolidated Non-Financial Declaration (NFD) provided for by Legislative Decree 254/2016 and which is drawn up and published separately from this Report and made available for consultation in digital format at the following link: www.marr.it/sostenibilita/bilancio-di-sostenibilita. The Sustainability Report / NFD 2021 was drawn up involving all the managerial functions responsible and approved by the Board of Directors, together with the draft Consolidated Financial Statements.

Information on the impact of the war in Ukraine as per Consob's specific attention

With reference to the current international tensions linked to the conflict in Ukraine, it should be noted that the MARR Group does not entertain commercial relations with operators located in these territories.
The Company closely follows the evolution of the Russia-Ukraine crisis and the consequent impacts in terms of strengthening the inflation dynamics on the markets for the procurement of raw materials and energy costs. This scenario of uncertainties makes it difficult to assess any future impacts on the spending power of consumers and on tourist flows, including those from abroad.

MARR S.p.A. – PARENT COMPANY

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

Re-classified Income Statement of the Parent Company MARR

MARR S.p.A. (€thousand)	*31.12.21*	*%*	*31.12.20*	*%*	*% Change*
Revenues from sales and services	1,346,316	*97.5%*	1,023,970	*97.7%*	*31.5*
Other earnings and proceeds	34,868	*2.5%*	24,600	*2.3%*	*41.7*
Total revenues	1,381,184	*100.0%*	1,048,570	*100.0%*	*31.7*
Raw and secondary materials, consumables and goods for resale	(1,148,162)	*-83.1%*	(817,670)	*-78.0%*	*(40.4)*
Change in inventories	59,659	*4.3%*	(28,351)	*-2.7%*	*310.4*
Services	(174,041)	*-12.6%*	(136,411)	*-13.0%*	*(27.6)*
Leases and rentals	(2,702)	*-0.2%*	(2,277)	*-0.2%*	*(18.7)*
Other operating costs	(1,586)	*-0.1%*	(1,471)	*-0.1%*	*(7.8)*
Value added	114,352	*8.3%*	62,390	*6.0%*	*83.3*
Personnel costs	(30,846)	*-2.3%*	(26,696)	*-2.6%*	*(15.5)*
Gross Operating result	83,506	*6.0%*	35,694	*3.4%*	*133.9*
Amortization and depreciation	(16,491)	*-1.2%*	(15,270)	*-1.4%*	*(8.0)*
Provisions and write-downs	(14,040)	*-1.0%*	(19,500)	*-1.9%*	*28.0*
Operating result	52,975	*3.8%*	924	*0.1%*	*5,633.2*
Financial income and charges	(4,888)	*-0.3%*	(5,266)	*-0.5%*	*
Value adjustments to financial assets	(134)	*0.0%*	(676)	*-0.1%*	*
Result from recurrent activities	47,953	*3.5%*	(5,018)	*-0.5%*	*
Non-recurring income	0	*0.0%*	0	*0.0%*	*
Non-recurring charges	(2,880)	*-0.2%*	0	*0.0%*	*
Result before taxes	45,073	*3.3%*	(5,018)	*-0.5%*	*
Income taxes	(13,181)	*-1.0%*	868	*0.1%*	*
Taxes relating previous years	38	*0.0%*	50	*0.0%*	*
Total net result	31,930	*2.3%*	(4,100)	*-0.4%*	*

* *Percentage change not included as it is not representative*

Re-classified Balance Sheet of the Parent Company MARR

MARR S.p.A. (€thousand)	*31.12.21*	*31.12.20*
Net intangible assets	140,709	139,501
Net tangible assets	74,486	70,590
Right of use assets	66,276	50,592
Equity investments in other companies	31,615	24,411
Other fixed assets	22,871	30,453
Total fixed assets (A)	335,957	315,547
Net trade receivables from customers	308,626	295,825
Inventories	192,657	132,864
Suppliers	(366,844)	(229,586)
Trade net working capital (B)	134,439	199,103
Other current assets	56,036	44,337
Other current liabilities	(24,090)	(11,855)
Total current assets/liabilities (C)	31,946	32,482
Non-current assets held for sale (D)	0	2,400
Net working capital (E) = (B+C+D)	166,385	233,985
Other non current liabilities (F)	(2,525)	(1,853)
Staff Severance Provision (G)	(6,485)	(6,780)
Provisions for risks and charges (H)	(5,494)	(5,812)
Net invested capital (I) = (A+E+F+G+H)	487,838	535,087
Shareholders' equity	(336,246)	(327,948)
Shareholders' equity (J)	(336,246)	(327,948)
(Net short-term financial debt)/Cash	136,696	74,314
(Net medium/long-term financial debt)	(219,331)	(229,297)
Net financial debt - before IFRS16 (K)	(82,635)	(154,983)
Current lease liabilities (IFRS16)	(8,855)	(8,277)
Non-current lease liabilities (IFRS16)	(60,102)	(43,879)
IFRS16 effect on Net financial debt (L)	(68,957)	(52,156)
Net financial debt (M) = (K+L)	(151,592)	(207,139)
Net equity and net financial debt (N) = (J+M)	(487,838)	(535,087)

Re-classified Net Financial Position of the Parent Company MARR

	(€thousand)	Note	*31.12.21*	*31.12.20*
A.	Cash		6,291	3,563
	Bank accounts		236,064	243,448
	Postal accounts		21	16
B.	Cash equivalent		236,085	243,464
C.	Liquidity (A) + (B)	15	242,376	247,027
	Current financial receivable due to Subsidiaries		5,909	1,365
	Current financial receivable due to Parent Company		5,787	5,794
	Others financial receivable		0	626
D.	Current financial receivable	12	11,696	7,785
E.	Current derivative/financial instruments	8	0	0
F.	Current Bank debt		(45,986)	(66,505)
G.	Current portion of non current debt		(52,227)	(100,125)
	Financial debt due to Parent Company		0	0
	Financial debt due to Subsidiaries		(14,290)	(13,209)
	Financial debt due to Related Companies		0	0
	Other financial debt		(4,873)	(659)
H.	Other current financial debt		(19,163)	(13,868)
I.	Current lease liabilities (IFRS16)	25	(8,855)	(8,277)
J.	Current financial debt (F) + (G) + (H) + (I)	24/25/26	(126,231)	(188,775)
K.	Net current financial indebtedness (C) + (D) + (E) + (J)		127,841	66,037
L.	Non current bank loans	18/20	(119,489)	(204,254)
M.	Non-current derivative/financial instruments	8	0	1,818
N.	Other non current loans	18/20	(99,842)	(26,861)
O.	Non-current lease liabilities (IFRS16)	19	(60,102)	(43,879)
P.	Non current financial indebtedness (L) + (M) + (N) + (O)	18/19/20	(279,433)	(273,176)
Q.	Net financial indebtedness (K) + (P)		(151,592)	(207,139)

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

MARR S.p.A. (€thousand)	*31.12.21*	*31.12.20*
Net profit before minority interests	31,930	(4,100)
Amortization and depreciation	16,490	15,270
Change in Staff Severance Provision	(295)	(236)
Operating cash-flow	48,125	10,934
(Increase) decrease in receivables from customers	(12,801)	62,010
(Increase) decrease in inventories	(59,793)	28,351
Increase (decrease) in payables to suppliers	137,258	(84,119)
(Increase) decrease in other items of the working capital	5,952	5,420
Change in working capital	70,616	11,662
Net (investments) in intangible assets	(1,644)	(460)
Net (investments) in tangible assets	(8,243)	(13,388)
Flows relating to acquisitions of subsidiaries and going concerns	(4,684)	(800)
Investments in other fixed assets and other change in non-current items	(14,571)	(14,648)
Free - cash flow before dividends	104,170	7,948
Distribution of dividends	(22,086)	0
Other changes, including those of minority interests	(342)	715
Cash-flow from (for) change in shareholders' equity	(22,428)	715
FREE - CASH FLOW	81,742	8,663
Opening net financial debt	(207,139)	(199,537)
Effect for change in liability for IFRS16	(24,997)	(16,265)
Cash-flow for the period	81,742	8,663
Dividends approved and not distributed	(1,198)	0
Closing net financial debt	(151,592)	(207,139)

Below we insert the reconciliation between the "cash flow for the period" indicated above and the change in cash flow indicated in the cash flow statement contained in the subsequent accounting schedules (constructed according to the indirect method):

MARR S.p.A. (€thousand)	*31.12.21*	*31.12.20*
Free - cash flow	81,742	8,663
(Increase)/Decrease in current financial receivables	(3,911)	800
Increase/(Decrease) in net financial debt	(82,481)	58,361
Increase (decrease) in cash-flow	(4,650)	67,824

Nature of proxies conferred on Directors

The powers conferred on the individual Directors are as follows:

– the Chairman has powers of legal representation as per art. 20 of the By-Laws,
– the Chief Executive Officer, in addition to the powers of legal representation as per art. 20 of the By-Laws, have been conferred the necessary powers for the completion of the deeds concerning business activities, to be exercised in the framework of the proxies attributed by resolution of the Board of Directors on 28 April 2020.

In the current structure of the Corporate Bodies there is no Executive Committee.

During the year, the Director who held the position of Chief Executive Officer used the powers attributed to him only for the normal management of the company activity, while the significant transactions, by type, quality and value, were subjected being examined by the Board of Directors.

Transactions with related parties

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

As regards the relations with subsidiary, associated, parent and affiliated companies, for which refer to the analyses contained in the note to the financial statements, as required by art. 2497-bis of the Civil Code, the following is a list of the types of ongoing relations:

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

It must be pointed out that the value of the purchase and sales of goods of MARR S.p.A. by transactions with Cremonini S.p.A. and affiliated companies (as in the following table) represented l'11.2% of the total purchases and 3.2% of the total revenues from sales and services made by MARR itself.
All commercial transactions and provisions of services occurred at market value.

The economic and financial data for the 2021 business year is showed in the following table, classified by related party.

COMPANY	FINANCIAL RELATIONS						ECONOMIC RELATIONS								
	RECEIVABLES			PAYABLES			REVENUES				COSTS				
	Trade	Other*	Financial	Trade	Other*	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Parent Companies:															
Cremonini S.p.A. (*)	2,433	11	5,787	689	11,397		9			22		1,219			5
Total	2,433	11	5,787	689	11,397	0	9	0	0	22	0	1,219	0	0	5
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							7								
Total	0	0	0	0	0	0	7	0	0	0	0	0	0	0	0
From Affiliated Companies(**)															
Cremonini Group															
C&P S.r.l.	267						628								
Castelfrigo S.r.l.		5		41					5		102				
Chef Express S.p.A.	1,286						4,804		(7)			11			
Fiorani & C. S.p.a.		421		2,369			16		450		20,237				
Global Service S.r.l.		6		379								1,161			
Guardamiglio S.r.l.	8						32								
Inalca Food and Beverage S.r.l.	942			2	2		7,884	154	1		7	2			
Inalca S.p.a.		78		31,527			24		1,277		103,146	8			
Italia Alimentari S.p.a.		161		447			6		199		4,675				
Roadhouse Grill Roma S.r.l.	687						2,424								
Roadhouse S.p.A.	7,560				4		23,860	15				1			1
From not Affiliated Companies															
Le Cupole S.r.l.						3,537									112
Time Vending S.r.l.		20							20						
Total	10,750	691	0	34,765	6	3,537	39,678	169	1,945	0	128,167	1,183	0	0	113

(*) 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 w ithin the scope of of the National Consolidated tax base; the amount in the the other payables is related to the IRES balance of the year 2020. Trade receivables and payables include the net amount of VAT transferred to Cremonini w ithin 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 Affiliated Companies															
Antonio Verrini S.r.l.	98		4,314	20			1,438	91		18	193				
Asca S.p.a.	11			8		8,273		21					2,500		32
Chef S.r.l.	78		1,596	1			1,171	14		3	11				
Marr Foodservice Iberica S.a.U.				120		275									1
New Catering S.r.l.	240			12		5,742	648	310	6		13	94			25
Total	427	0	5,910	161	0	14,290	3,257	436	6	21	217	94	2,500	0	58

From Oter Related Parties															
Members of top management team					431							740			
Total	0	0	0	0	431	0	0	0	0	0	0	740	0	0	0

Proposal for the allocation of the result for the year 2021 and distribution of the dividend

Dear Shareholders,

before the conclusion and your decisions on the matter, we confirm that the draft financial statements closed on 31 December 2021, submitted for your examination and approval at this meeting, have been drawn up in compliance with current legislation.

In submitting the financial statements for the year 2021 to the assembly for approval, we propose to

a) allocate the profit for the year of Euro 31,930,334 as follows:

- dividend of 0.47 Euros for each ordinary share with the right,

- allocation to the extraordinary reserve of the residual amount.

b) pay the dividend on May 25, 2022 with detachment of the coupon (No.17) on May 23, 2022 (record date May 24, 2022), as regulated by Borsa Italiana.

The Board of Directors extends its heartfelt thanks to the employees and to all collaborators who also in the 2021 financial year contributed with their commitment to the achievement of the Company's objectives.

Rimini, 15 March 2022

For the Board of Directors
The Chairman
Ugo Ravanelli

MARR GROUP

Consolidated Financial Statements as at December 31, 2021

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	*Notes*	*31.12.21*		*31.12.20*	
ASSETS					
Non-current assets					
Tangible assets	1	79,601		75,517	
Right of use	2	72,015		51,849	
Goodwill	3	160,382		151,068	
Other intangible assets	4	3,009		2,420	
Investments at equity value	5	1,828		1,828	
Investments in other companies		175		300	
Non-current financial receivables	6	750		1,070	
Non-current derivative/financial instruments	7	0		1,818	
Deferred tax assets		0		0	
Other non-current assets	8	29,766		44,894	
Total non-current Assets		347,526		330,764	
Current assets					
Inventories	9	199,852		134,581	
Financial receivables	10	5,787		6,420	
relating to related parties		*5,787*	*100.0%*	*5,794*	*90.2%*
Current derivative/financial instruments	7	0		0	
Trade receivables	11	313,615		283,150	
relating to related parties		*13,312*	*4.2%*	*6,042*	*2.1%*
Tax assets	12	6,234		6,277	
relating to related parties		*12*	*0.2%*	*12*	*0.2%*
Cash and cash equivalents	13	249,994		251,491	
Other current assets	14	50,743		39,608	
relating to related parties		*786*	*1.5%*	*484*	*1.2%*
Total current Assets		826,225		721,527	
Non-current assets held for sale	1	0		2,400	
TOTAL ASSETS		*1,173,751*		*1,054,691*	
LIABILITIES					
Shareholders' Equity	15	349,507		338,112	
Share capital		*33,263*		*33,263*	
Reserves		*262,833*		*286,510*	
Profit for the period		*53,411*		*18,339*	
Total Shareholders' Equity		349,507		338,112	
Non-current liabilities					
Non-current financial payables	16	219,330		231,066	
Non-current lease liabilities (IFRS16)	17	64,718		44,934	
relating to related parties		*5,181*	*8.0%*	*3,537*	*7.9%*
Non current derivative/financial instruments	18	0		49	
Employee benefits	19	8,556		7,275	
Provisions for risks and charges	20	6,994		7,099	
Deferred tax liabilities	21	143		1	
Other non-current liabilities	22	2,530		1,868	
Total non-current Liabilities		302,271		292,292	
Current liabilities					
Current financial payables	23	103,088		167,462	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Current lease liabilities (IFRS16)	24	10,074		8,528	
relating to related parties		*755*	*7.5%*	*556*	*0.0%*
Current derivative/financial instruments	25	0		6	
Current tax liabilities	26	14,764		1,792	
relating to related parties		*11,489*	*77.8%*	*770*	*43.0%*
Current trade liabilities	27	380,959		234,579	
relating to related parties		*35,612*	*9.3%*	*9,512*	*4.1%*
Other current liabilities	28	13,088		11,920	
relating to related parties		*437*	*3.3%*	*258*	*2.2%*
Total current Liabilities		521,973		424,287	
TOTAL LIABILITIES		*1,173,751*		*1,054,691*	

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€thousand)	*Notes*	*31.12.2021*		*31.12.2020*	
Revenues	29	1,420,733		1,048,396	
relating related parties		*39,872*	*2.8%*	*36,005*	*3.4%*
Other revenues	30	35,543		25,281	
relating to related parties		*2,079*	*5.8%*	*1,135*	*4.5%*
Changes in inventories	9	64,237		(36,035)	
Purchase of goods for resale and consumables	31	(1,207,154)		(825,511)	
relating to related parties		*(132,186)*	*11.0%*	*(83,985)*	*10.2%*
Personnel costs	32	(36,721)		(27,826)	
relating to related parties		*(11)*	*0.0%*	*0*	*0.0%*
Amortizations, depreciations and provisions	33	(18,367)		(17,309)	
Losses due to impairment of financial assets	34	(14,664)		(19,274)	
Other operating costs	35	(186,107)		(144,886)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(255)*		*(136)*	
relating to related parties		*(3,208)*	*1.7%*	*(2,921)*	*2.0%*
Financial income and charges	36	(7,880)		(5,298)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(763)*		*(566)*	
relating to related parties		*(155)*	*2.0%*	*(20)*	*(0.4%)*
Income (charge) from associated companies	37	0	*0.0%*	(218)	*100.0%*
Profit/(Loss) before taxes		***49,620***		***(2,680)***	
Taxes	38	(14,549)		267	
Profit/(Loss) for the period		***35,071***		***(2,413)***	
Attributable to:					
Shareholders of the parent company		35,071		(2,413)	
Minority interests		0		0	
		35,071		***(2,413)***	

(€)	*Notes*	*31.12.2021*	*31.12.2020*
EPS base (euros)	39	0.53	(0.04)
EPS diluted (euros)	39	0.53	(0.04)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	*Notes*	*31.12.2021*	*31.12.2020*
Profits/(Loss) for the period (A)		*35,071*	*(2,413)*
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		(134)	722
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		(253)	11
Total Other Profits/(Losses) net of taxes (B)	40	*(387)*	*733*
Comprehensive Income/(Loss) (A + B)		*34,684*	*(1,680)*
Attributable to:			
Shareholders of the parent company		34,684	(1,680)
Minority interests		0	0
		34,684	*(1,680)*

CONSOLIDATED STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY
(note no. 15)

Description	Share Capital	Other Reserves											Profits carried over from consolidated	Total Group net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Reserve IAS 19	Total reserves		
Balance at 1st January 2020	33,263	63,348	6,652	13	36,496	106,111	1,475	7,290	(588)	1,458	(822)	221,434	85,101	339,798
Allocation of 2019 profit						64,349						64,349	(64,349)	
Distribution dividends MARR S.p.A.														
Other minor variations										(5)		(6)		(6)
- Loss for the period													(2,413)	(2,413)
- Other Profits/Losses, net of taxes									722		11	733		733
Consolidated comprehensive result 2020														(1,680)
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

Description	Share Capital	Other Reserves											Profits carried over from consolidated	Total Group net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Reserve IAS 19	Total reserves		
Balance at 1st January 2021	33,263	63,348	6,652	13	36,496	170,460	1,475	7,290	134	1,453	(811)	286,510	18,339	338,112
Distribution dividends MARR S.p.A.						(23,283)						(23,283)		(23,283)
Other minor variations										(9)		(7)	1	(6)
- Profit for the period													35,071	35,071
- Other Profits/Losses, net of taxes									(134)		(253)	(387)		(387)
Consolidated comprehensive income 2021														34,684
Balance at 31 December 2021	33,263	63,348	6,652	13	36,496	147,177	1,475	7,290		1,444	(1,064)	262,833	53,411	349,507

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	Ref.	31.12.21		31.12.20	
Result for the Period		35,071		(2,413)	
Adjustment:					
Amortization /Depreciation	33	7,653		8,988	
IFRS 16 depreciation	33	10,347		7,140	
Change in deffered tax	38	(951)		(2,080)	
Allocation of provison for bad debts	33	14,539		19,270	
Provision for supplementary clientele severance indemnity	33	195		860	
Write-downs of investments non consolidated on a line – by – line basis	33	178		222	
Allocation of provision for risks and losses	34	125		0	
Capital profit/losses on disposal of assets	30/35	167		(113)	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Financial (income) charges net of foreign exchange gains and losses	36	8,542		4,547	
relating to related parties		*114*	*1.3%*	*20*	*0.4%*
Foreign exchange evaluated (gains)/losses	36	(193)		(3)	
Total		40,602		38,831	
Net change in Staff Severance Provision	19	(281)		(1,046)	
(Increase) decrease in trade receivables	11	(44,014)		58,471	
relating to related parties		*(7,270)*	*16.5%*	*4,865*	*8.3%*
(Increase) decrease in inventories	9	(64,237)		36,003	
Increase (decrease) in trade payables	27	143,857		(91,541)	
relating to related parties		*26,100*	*18.1%*	*(355)*	*0.4%*
(Increase) decrease in other assets	14	4,513		4,709	
relating to related parties		*(302)*	*(6.7%)*	*(50)*	*(1.1%)*
Increase (decrease) in other liabilities	28	405		(2,022)	
relating to related parties		*179*	*44.2%*	*(340)*	*16.8%*
Net change in tax assets / liabilities	12/21/26	17,280		(2,730)	
relating to related parties		*12,216*	*70.7%*	*(985)*	*36.1%*
Interest paid	36	(9,459)		(5,959)	
relating to related parties		*(129)*	*1.4%*	*(46)*	*0.8%*
Interest received	36	917		1,412	
relating to related parties		*15*	*1.6%*	*26*	*1.8%*
Foreign exchange evaluated gains	36	193		3	
Income tax paid	12/26	(3,172)		(2,935)	
relating to related parties		*(1,497)*	*47.2%*	*0*	*0.0%*
Cash-flow from operating activities		121,675		30,783	
(Investments) in other intangible assets	4	(527)		(461)	
(Investments) in tangible assets	1	(11,071)		(13,203)	
Net disposal of tangible assets	1	2,320		379	
Net (investments) in equity investments in other companies		0		0	
Outgoing for acquisition of subsidiaries or going concerns during the year (net of cash acquired)		(4,640)		(615)	
Cash-flow from investment activities		(13,918)		(13,900)	
Distribution of dividends		(22,086)		0	
Other changes, including those of third parties	15	(393)		734	
Net change in liabilities (IFRS 16)	17/24	(3,555)		(8,363)	
relating to related parties		*1,843*	*(51.8%)*	*2,934*	*(35.1%)*
Net change in financial receivebles/payables for derivates	7/18/25	1,763		2,765	
Net change in financial payables (excluding the new non-current loans received)	16/23	(27,722)		22,399	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
New non-current loans received	16/23	230,000		122,500	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Repayment of other long - term debt	16/23	(288,214)		(93,323)	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Net change in current financial receivables	10	633		(4,017)	
relating to related parties		*7*	*1.1%*	*(3,951)*	*98.4%*
Net change in non-current financial receivables	6	320		(580)	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Cash-flow from financing activities		(109,254)		42,115	
Increase (decrease) in cash-flow		(1,497)		58,998	
Opening cash and equivalents		251,491		192,493	
Closing cash and equivalents		249,994		251,491	

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 10 to the following explanatory notes.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

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

In particular, the parent company MARR S.p.A., with legal form Joint Stock Company, has its registered office in Via Spagna n. 20, Rimini, (Italy) and operates mainly in Italy in the marketing and distribution of fresh, dried and frozen food products for catering operators.

The Parent Company is controlled by the company Cremonini S.p.A. the essential data of which are set out in the following Annex 7.

The consolidated financial statements as at 31 December 2021 were authorized for publication by the Board of Directors on 15 March 2022.

Information by sector of activity

For the application of IFRS 8, it must be noted that the Group operates solely in the sector of "Distribution of food products for out-of-home catering"
As regards the trends in 2021, see that described in the Directors' Report.

Structure and contents of the consolidated financial statements

The consolidated financial statements as at 31 December 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 as acknowledged by Legislative Decree 38 dated 28 February 2005 and subsequent CONSOB amendments, communications and decisions.

Reference to the international accounting standards, adopted in the preparation of the consolidated financial statements as at 31 December 2021, is indicated in the "Accounting policies" section.

The consolidated financial statements as at 31 December 2021 include, for comparative purposes, the figures for the year ended on 31 December 2020.

The following classifications were 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.

Appendix 2 contains the Statement of financial position, the Statement of Profit or Loss, the Statement of Other Comprehensive Income, Cash Flows Statement and the Statement of changes in the shareholders' equity of MARR S.p.A.. This report omits the explanatory notes concerning the accounting situation of the Parent Company, as this does not contain significant additional information compared to that contained in the MARR Group Consolidated Financial Statements, as highlighted in the table below, illustrating the impact of the parent company MARR S.p.A. on the Group consolidated data.

(€thousand)	31.12.21 MARR Consolidated	31.12.21 MARR S.p.A.	Impact %
Revenues from sales and services	1,420,733	1,346,316	94.8%
Total Asset	1,173,751	1,147,350	97.8%
Net profit for the period	35,071	31,930	91.0%

The operating and accounting currency is the Euro.
The statements and tables contained in these consolidated financial statements are shown in thousands of Euros.

In compliance with the provisions of the ESEF Regulation, MARR has drawn up the annual financial report as at 31 December 2021 in xHTML format, supplemented by appropriate XBRL markings as regards the consolidated financial statements relating to:
- Consolidated statement of financial position
- Consolidated statement of profit / (loss) for the year
- Consolidated statement of the other components of the comprehensive income statement
- Changes in consolidated shareholders' equity
- Consolidated cash flow statement

XBRL markups have been incorporated into xHTML using the inline-XBRL specification.

Business continuity

MARR has defined a clear approach - reaffirmed at the beginning of the pandemic and remodeled in the continuous changes of context that have taken place over the last year - which it is concretely implementing in pursuing its strategic guidelines:

i. strengthening of liquidity, at the end of 2021 MARR recorded 250 million Euros of liquidity (251.5 million Euros as of 31 December 2020), doubling the levels of the beginning of the pandemic, thanks to the cash flow generated by management as a consequence of the increase in sales compared to the previous year, the confidence of financial institutions, a careful management of all components of working capital and a selective approach to investments, favoring those aimed at growth;

ii. correct management of operating costs, achieved through the intervention on fixed costs and the optimization of the management of the logistics and distribution network in a flexible way in the various phases of the pandemic, always with the aim of not losing support and service to the Customer;

iii. consolidation of its leadership position and relationship with the market by guaranteeing its professional partners / customers a high standard of service, in full compliance with health regulations throughout the supply chain, capable of satisfying and guaranteeing the final consumer. With a view to customer service, it is recalled that the initiatives for the monetization of government contributions continued in 2021 (eg management of the "Holiday Bonus" and "Rental Bonus"), in addition to the offer of local products and Made in Italy. Customer who remains at the center of MARR's attention through an integrated approach, which is based on “phygital marketing” initiatives or a balanced combination of “physical” approach and “digital” tools;

iv. identification of new business opportunities with particular regard to forms of service (take away, food delivery) and product lines (eg packaging, sanitizers, disinfectants, food ready to eat) that have strengthened during the pandemic;

v. further strengthening of MARR's competitive position following the foreseeable consolidation of the market as soon as the pandemic emergency is over. In this consolidation process, which will benefit the more structured operators, MARR, in line with its role as leader, will seize the opportunities that strengthen its offer and presence to further raise its level of service. In this respect, the acquisitions made in 2021 of the companies Antonio Verrini S.r.l. and Chef S.r.l. Unipersonale in the sector of processing and marketing of fish products (fresh in particular) and the signing in these days a binding framework agreement for the purchase of all the shares of a newly established company, Frigor Carni Srl, represent a confirmation of the MARR's role of Market aggregator, which continues to strengthen its leadership both through a path of organic growth and through targeted acquisitions, aimed at increasing service specialization;

vi. ESG, MARR as market leader has always paid high attention and intends to implement more and more concrete actions aimed at Sustainability. In order to achieve this goal, the drafting of the Sustainability Report - Consolidated Non-Financial Statement 2021 pursuant to Legislative Decree 254/2016 is included. MARR, for the purposes of preparing the Sustainability Report - Consolidated Non-Financial Statement 2021, has implemented an analysis process conducted according to the guidelines for sustainability reporting of the GRI (Global Reporting Initiative) Standard aimed at identifying the issues that could affect the ability to create value and which are most relevant to the Company and its stakeholders. The Sustainability Report will be made public on the Company's website within the terms of the law.

While considering the complexity of a rapidly evolving market context, the Company considers the going concern assumption appropriate and correct, taking into account its ability to meet its obligations in the foreseeable future and in

particular in the next 12 months, also on the basis of the solidity of the financial structure of the Group with reference to which the following is highlighted:
- the substantial stock of available liquidity (more than 250 million Euros at 31 December 2021);
- credit lines granted and not used as at 31 December 2021 for an amount not less than 200 million Euros;
- the support of the main banks, thanks to its leadership position in the sector in which it operates;
- compliance with the financial covenants at both June 30, 2021 and December 31, 2021 and, on the basis of this, a forecast of confirmation of the same also for the future;
- the subscription on 29 July 2021 of an unsecured bond loan (Senior Unsecured Notes) for 100 million Euros, intended for a US institutional investor (Pricoa Private Capital, a company of The Prudential Insurance Company of America) with a duration of 10 years.

These financial statements have been prepared using the valuation principles and criteria illustrated below.

Consolidation method

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

- Subsidiaries have been consolidated as from the date when control was actually transferred to the Group, and are no longer consolidated as from the date when control was transferred outside the Group.
- Assets and liabilities, charges and income of the companies consolidated on a line-by-line basis, have been fully entered in the consolidated financial statements; the book value of equity investments has been written off against the corresponding portion of shareholders' equity of the related concerns, by assigning to each single item of the statement of financial position'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 consolidated financial statements as at 31 December 2020 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 December 2020, with an indication of the method of consolidation, are attached in Appendix 1.
The consolidated financial statements have been prepared on the basis of the financial statements as at 31 December 2020 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 consolidation area as at 31 December 2021 differs from that as at 31 December 2020 due to the purchase, finalized on 1 April 2021, by the parent company MARR S.p.A. of the totality of the shares of two companies of the Verrini Group operating in fresh fish: Antonio Verrini S.r.l and Chef S.r.l. unipersonale.

Accounting policies

The most significant accounting policies adopted for the preparation of the consolidated financial statements of the MARR Group as at 31 December 2021 are indicated below:

Tangible assets

Tangible assets are entered at their purchase cost or production cost, inclusive of directly allocated additional charges required to make the assets available for use. As permitted by IFRS 1, in the context of the first-time adoption of the International Accounting Standards, the Company has measured certain land and buildings owned at fair value, and has adopted such fair value as the new cost subject to depreciation.
No revaluations are permitted, even if pursuant to specific laws.
Tangible assets are systematically depreciated on a straight-line basis over their expected useful life, based on the estimate of the period over which the assets will be used by the Company. When the tangible asset is made up of a number of significant components, each with a different useful life, depreciation is made for each single component. The depreciation value is represented by the book value minus the presumable net transfer value at the end of its useful life, if material and reasonably determinable. Land is not depreciated, even if purchased together with a building, and neither are tangible assets held for sale, measured at the lower between the book value and fair value after transfer charges.
Costs for improvement, upgrading and transformation increasing tangible assets are entered in the statement of financial position, in compliance with the requirements of the IAS 16.
The recoverability of the book value of tangible assets is determined by adopting the criteria indicated in the section "Impairment of non-financial assets".
The rates (not changed compared with the period before) applied are the following:

Buildings	2.65% - 4% - 3%
Plant and machinery	7.50%-15%
Industrial and business equipment	15% - 20%
Other assets:	
Electronic office equipment	20%
Office furniture and fittings	12%
Motor vehicles and means of internal transport	20%
Cars	25%
Other minor assets	10%-30% contract term

The remaining accounting value, useful lifetime and amortization criteria are reviewed on closure of each business year and the tables adjusted if required.
An asset is removed from the financial statements when it is sold or when there are no longer any future economic benefits expected from its use or disposal. Any losses or profits (calculated as the difference between the net income from its sale and its accounting value) are included in the profit and loss account when it is removed.

Goodwill and other intangible assets

Intangible assets relate to assets without identifiable physical consistency, controlled by the company and capable of producing future economic benefits, as well as goodwill when acquired for consideration.
Intangible assets acquired separately are initially recognized at cost determined according to the criteria indicated for tangible assets, while those acquired through business combinations are recognized at fair value on the date of acquisition. Revaluations are not allowed, even if in application of specific laws.
Intangible assets with a definite useful life are systematically amortized over their useful life, based on the estimate of the period over which the assets will be used by the Company; the recoverability of their book value is determined by adopting the criteria indicated in the section "Impairment of non-financial assets".
Goodwill and other intangible assets, if any, with an indefinite useful life are not subject to amortization; the recoverability of their book value is determined at least each year and, in any case, whenever in the presence of events implying a loss of value. As far as goodwill is concerned, verification is made on the smallest aggregate upon which Management, either directly or indirectly, assesses the return on the investment, including the goodwill itself (cash generating unit). Write-downs are not subject to value restoration.
Other intangible assets have been amortized by adopting the following criteria:

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

The period of amortization and amortization criteria for intangible assets with a definite lifetime are reviewed at least on closure of each business year and adjusted if necessary.

Right of use

The Right of Use on the commencement date, the date on which the asset is made available for use, is initially valued at cost and derives from the sum of the following components:
- the initial amount of the "Lease liability";
- the payments due for the leasing made on the commencement date or beforehand, net of any incentives received for the lease;
- the initial direct costs incurred by the lessee;
- the estimate of eventual costs that the lessee expects to incur for the disposal and removal of the underlying asset and the restoration of the site on which it is located or restoration of the underlying asset under the conditions provided in the terms and conditions of the leasing contract.

After initial recording on the transition date, the right of use is then reduced due to the accumulated depreciation rates, impairment and the effects caused by any redetermination of the "Lease liability".
The depreciation rates are constant and follow the duration of the contract, taking into account the renewal/term options that are very likely to be exercised.
Only if the lease provides for the exercise of a reasonably certain purchase option is the Right of use depreciated systematically throughout the lifetime of the underlying asset.

As regards the financial liability deriving from the new standard, see the following paragraph "Financial Liabilities".
Also, the new standard removes for the lessee the classification of the lease as operating or financial, with limited exceptions of application of this treatment (attribution of lease fees in the income statement by competence for leases responding to the requirements of "short-term" or "low value"). A minimum threshold of $5k has been defined for the identification of low value assets. Leases with a duration of less than 12 months are excluded.
The main contractual circumstances for leased assets, related to specific categories of assets involving the majority of the companies in the Group, are mainly the following:
- contracts for the lease of properties;
- car hire contracts.

Investments in related companies and other companies

A related company is a company over which the Group exercises significant influence. Significant influence is intended as the power to participate in the determination of financial and management policies of the related party without having control or joint control.

Investments in related companies are evaluated using the Net Equity method and the shareholdings in other companies are measured at fair value, as indicated in Appendix 1 and the following explanatory notes.
In the net equity method, the participation in a related company is initially recorded at cost. The accountable value of the holding is increased or decreased in order to record the quota of pertinence of the holder in the profits and losses of the related party achieved after the date of acquisition. The goodwill concerning the related party is included in the accountable value of the holding and is not subjected to amortization, or to an individual evaluation of loss of value (impairment).
The consolidated statement of profits or loss reflects the quota of pertinence of the Group of the business year result of the related company. All changes to the other components in the overall profits and loss account concerning these related parties are presented as part of the overall income statement of the Group. Also, in the case of a related company recording a change directly attributable to the net equity, the Group records the quota of pertinence, when applicable, in the statement of changes in the net equity. The unrealised profits and losses deriving from transactions between the Group and related companies or joint ventures are eliminated in proportion to the quota of the holding in the related companies or joint ventures.
The recoverable nature of their recorded value is verified adopting the criteria described in the point "Losses in value of non-financial assets" as regards the holdings in related parties and the point "Losses in value of financial assets" as regards the holdings in other companies.
Whenever significant influence over a related company or joint control over a joint venture ceases, the Group assesses and records the remaining holding at fair value. The difference between the recorded value of the holding on the date of the termination of significant influence or joint control and the fair value of the remaining holding and the incoming payments received is recorded in the income statement.

Inventories

These are entered at the lower of purchase or production cost, calculated by the FIFO method and the presumed realizable value in consideration of the market trend.

Receivables and other financial assets

The trade receivables and other financial receivables are generated during the everyday business activities of the Group and are held with the aim of claiming the contractual cash flows constituted by "payments of capital and interest only", according to that provided by IFRS 9. These receivables are therefore initially recorded at fair value and subsequently evaluated at their amortized cost, on the basis of the effective interest rate method, net of any depreciations. Trade receivables and other financial receivables are included in the current assets, except for those with a contractual duration of more than twelve months after the date of the financial statements, which are classified in the non-current assets and entered at current value.
On the date of the financial statements, the trade receivables and other financial receivables are analysed to verify the existence of impairment indicators. In performing this analysis, in accordance with IFRS 9, the Group uses an impairment model of the financial receivables which requires the inclusion of allocations for impairment on the basis of the expected losses. In order to perform this analysis, the Group uses a simplified approach to estimate the expected losses on trade receivables throughout the duration of such receivables and takes the historical experience of the Group into consideration in terms of losses on receivables, grouped into similar classes and corrected on the basis of specific factors concerning the nature of the Group receivables and the economic context. Trade receivables are depreciated when there is no rational expectation of recovery. The indicators showing the absence of rational expectations of recovery include, among others, the impossibility of a creditor to commit to a recovery plan with the Group and the impossibility of making contractual payments for a significant period of time.

Derivatives

Subsequently to their initial recording, the derivatives are evaluated again at fair value and are accounted as financial assets should the fair value be positive. Eventual profits or losses deriving from changes in the fair value of the derivatives are recorded directly in the income statement, except for the effective part of the hedging of cash flows, which is recorded among the components of other comprehensive income and subsequently reclassified in the statement of profit or loss if the hedging instrument influences the profits or losses.

As regards the instruments classified as cash flow hedges and which are classified as such, the variations in fair value are recorded, solely as regards the effective part, in a specific equity reserve defined as "cash flow hedge reserve", included in the statement of comprehensive income. This reserve is subsequently overturned to the income statement as soon as the economic effects of the scope of the hedging operation manifest themselves. The variation in fair value referring to the ineffective portion is immediately recorded in the period income statement. Should the occurrence of the underlying operation no longer be considered highly probable, or the hedging relation no longer be demonstrable, the corresponding portion of the "cash flow hedge reserve" is immediately overturned to the income statement.

Losses in value of non-financial assets

In the case of equity investments classified as available for sale, the objective evidence would include a significant or prolonged reduction in the fair value of the investment below its cost The "Significance" is evaluated with respect to the original cost of the instrument and "prolonged effect" with respect to the (duration of the) period in which the fair value has been below the original cost. Should there be evidence of impairment, the cumulative losses – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from the other comprehensive income and recognised in the income statement.
Any losses due to impairment of instruments representative of capital may not be reversed with the effects recorded in the profit and loss account; any increases in their fair value subsequent to an impairment loss are recorded directly in the other comprehensive income.

When events occur that would lead to assume a reduction in the value of asset, its recoverability is assessed by comparing the recorded value with the relevant recoverable value, represented by the greater of the fair value, net of the discharge costs, and its value in use.
In the absence of a binding sales agreement, the fair value is estimated on the basis of the values expressed by an active market, by recent transactions or on the basis of the best information available to reflect the amount that the business would receive by selling the asset.
The value in use is determined by actualising the expected cash flows deriving from the use of the asset and, if significant and reasonably determinable, from its sale at the end of its useful lifetime. The cash flows are determined on the basis of reasonable and documented assumptions representative of the best estimate of the future economic conditions that may occur during the remaining lifetime of the asset, giving more importance to indications from outside. Actualisation is carried out at a rate which takes into account the market assessments of the current value of cash and specific risks of the asset, in addition to the inherent risk to the sector of business in question.
Assessment is conducted on each individual asset or the smallest identifiable group of assets which generates autonomous incoming cash flows deriving from continuous use (so-called *cash generating unit*). When the reasons for the depreciations made are no longer in place, the assets, except for goodwill, are revalued and the adjustment attributed to the profit and loss account as readjustment (restoration of value). Readjustment is carried out at the lesser of the recoverable value and recorded value gross of depreciations carried out previously and reduced by the amortization quotas that would have been allocated had impairment not been carried out.
Goodwill is tested for impairment at least once every year (on the date of the financial statements, 31 December) and more frequently should circumstances indicate that the carrying value may be impaired.

Impairment of goodwill is assessed by evaluating the recoverable amount of each cash generating unit (or the group of cash generating units) to which the goodwill relates. Should the recoverable amount of the cash generating unit be less than the carrying amount of the cash generating unit for which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future business years.

Employee benefits

The Employee Severance Fund is included in the context of what IAS 19 defines as definite benefits plans in the framework of benefits after employment. The accounting treatment provided for these forms of remuneration requires an actuarial calculation which enables the future projection of the Employee Severance Fund amount already accrued and to actualise it to take into account the time that will elapse before effective payment. The actuarial calculation takes certain variables into consideration, such as the average employment time of employees, inflation rates and expected interest rates. The assessment of this liability is performed by an independent actuary. Following the changes to IAS 19, effective for business years starting on 1 January 2013 and subsequent, the profits and losses deriving from the actuarial calculation for the definitive benefits plans are included in the statement of other comprehensive income for the period they refer to. These actuarial profits and losses are immediately classified under the profits carried over and are not reclassified in the profit and loss accounts for subsequent periods. The social security cost for past service (past service cost) is recorded on the most recent of the following dates:

- the date on which the plan is changed or reduced; and
- the date on which the Group records the related restructuring costs.

The Group records the changes in the net debentures for definitive benefits in the statement of profit or loss.

The assets or liabilities concerning definitive benefits include the current value of the definitive benefits debentures, minus the fair value of the assets involved in the plan.
Lastly, it should be noted that, following the 2007 reform of the pertinent national regulations, for companies with more than 50 employees, the Staff Severance Provision accrued from 1st January 2007 onwards is classified as a defined contributions plan, the payments relative to which are entered directly in the income statement, as expenses, when recorded The Staff Severance Provision accrued up to 31.12.2006 continues to be a defined benefits plan, but without the future contributions. Accordingly, it is now valued by the independent actuaries solely on the basis of the expected average residual

working life of the employees, without further consideration of the remuneration received by them over a predetermined employment period. The Staff Severance Provision "accrued" before 1st January 2007 thus undergoes a change in calculation, due to the elimination of the previously foreseen actuarial hypotheses linked to pay increments. In particular, the liability relative to "accrued Staff Severance Provision" is actuarially valued as at 1st January 2007 without applying the pro-rata (years already worked/total years worked), as the employees' benefits relating to the entire period up to 31st December 2006 can be considered almost entirely accrued (with the sole exception of revaluation) in application of paragraph 67 (b) of IAS 19. Therefore, for the purposes of this calculation, the "current service costs" relating to the future services of employees are to be considered null insofar as represented by the contribution payments into the supplementary pension scheme fund or the INPS Treasury Fund.

Provisions for risks and charges

Provisions for risks and charges involve specific costs and charges, considered definite or probable, for which the amount or due date could not yet be determined at the end of the year. Provisions are recognized when: (i) the existence of a current, legal or implied obligation is probable, arising from a previous event; (ii) the discharge of the obligation may likely involve charges; (iii) the amount of the obligation may be reliably estimated. Provisions are entered at the value representing the best estimate of the amount the Company would reasonably pay to redeem the obligation or to transfer it to third parties at the end of the period. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is discounted back; the increase in the provision associated with the passage of time, is entered in the income statement under "Financial income (charges)". The supplementary clientele severance indemnity, as all other provisions for risks and charges, has been appropriated, based on a reasonable estimate of probable future liabilities, and taking the elements available into consideration.

Financial liabilities

The financial liabilities are initially valued at their fair value, which is the same as the payment received on the date on which they are received, to which the transaction costs directly attributable to them are to be added in the case of debts and loans. Subsequently, the non-derivative financial liabilities are measured by the criterion of amortized cost using the effective interest rate method.

The financial liabilities of the Group include trade payables and other payables, loans and derivative financial instruments.

The financial liabilities within the scope of application of IFRS 9 are classified as payables and loans, or as derivatives designated as hedging instruments, according to the case in question. The Group determines the classification of its financial liabilities at initial recognition.

The profits and losses are accounted in the income statement when the liability is extinguished, as well as through the amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the income statement.
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

In cases in which an existing financial liability is replaced by another from the same lender, on substantially different conditions, or the terms of an existing liability are substantially modified, this swap or modification is treated as the derecognition of the original liability and the recording of the new liability, with any differences between the respective carrying amounts recognised in the income statement.

Lease liabilities (IFRS16) are initially valued at the current value of the payments due for the lease and not yet made on the commencement date, which include:

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

The current value of these payments is calculated using a discount rate equal to the incremental loan rate of the lessee.
The incremental loan rate of the lessee is defined taking into account the periodicity and duration of the payments provided by the lease contract, the currency in which they are made and the characteristics of the economic environment of the lessee ("IBR"). Specifically, the IBR is determined on the basis of the Bloomberg Risk Free Rate on the basis of the Euro

swap, reflecting considerations or adjustments to the specific domestic context in which the Group operates, if relevant. The rate defined is consistent with the average residual lifetime of the contracts.
After initial recording, the lease liability is valued at amortized cost (in other words increasing its book value to take into account the interest on the liability and reducing it to take into account the payments made) using the effective interest rate and is redetermined, as a counter item to the initial value of the related Right of Use, to take into account any modifications to the lease as a result of contractual renegotiations, changes in indices or rates, modifications to the exercise of the contractual options of renewal, advance withdrawal or purchase of the asset leased.

Derivatives

After their initial recording, derivatives are valued again at fair value and are accounted for as financial liabilities when the fair value is negative. Any profits or losses deriving from variations in fair value of the derivatives are recorded directly in the income statement, except for the effective part of the cash flow hedges, which are recorded among the components of the statement of comprehensive income and subsequently reclassified in the business year profits/(losses) when the hedging instrument has an effect on the profits or losses.

As regards the instruments classified as cash flow hedges and which are classified as such, the variations in fair value are recorded, solely as regards the effective part, in a specific equity reserve defined as "Reserve from cash flow hedges", included in the statement of comprehensive income. This reserve is subsequently overturned to the income statement as soon as the economic effects of the scope of the hedging operation manifest themselves. The variation in fair value referring to the ineffective portion is immediately recorded in the period income statement. Should the occurrence of the underlying operation no longer be considered highly probable, or the hedging relation no longer be demonstrable, the corresponding portion of the "cash flow hedge reserve" is immediately overturned to the income statement.

Income taxes

Current income taxes are calculated on the basis of the estimated taxable income. Tax assets and liabilities for current taxes are recognized at the value expected to be paid/recovered to/from the Tax Authorities, by applying the rates and tax regulations in force or basically approved as at the end of the period, and considering the involvement of some companies to the national consolidated tax base.
If there is any uncertainty as to the treatment of income taxes, the Group must state the effect of the uncertainty for each uncertain fiscal treatment, using one of the following methods: a) the method of the most probable amount; or b) the method of expected value, in other words the sum of the amounts of a range of possible results, weighted in the basis of the probability of their occurring.
Deferred tax liabilities and assets are calculated on the temporary differences between the values of the assets and liabilities recorded in the financial statements and the corresponding values recognised for fiscal purposes.
Deferred taxes are recorded on all the taxable temporary differences, with the following exceptions:

- the deferred tax liabilities deriving from the initial recording of the start-up of either an asset or a liability in a transaction which does not represent a corporate aggregation and, at the time of the transaction itself, does not influence either the result in the financial statements or the fiscal result;
- the repayment of the taxable temporary differences associated to holdings in subsidiaries, related companies and joint ventures can be controlled, and it is probable that this will not occur in the foreseeable future.

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

Deferred tax assets are recorded for all the deductible temporary differences, fiscal receivables and losses not used and brought forward, in the measure in which it is probable that sufficient future fiscal taxable will be available which may enable the use of the deductible temporary differences and fiscal receivables and losses brought forward, except in cases in which:

- the deferred tax related to the deductible temporary differences derives from the initial recording of an asset or liability in a transaction which does not represent a corporate aggregation and, at the time of the transaction itself, does not influence either the result in the financial statements or the fiscal result;
- in the case of deductible temporary differences associated to holdings in subsidiaries, related companies and joint ventures, the active deferred taxes are only recorded in the measure in which it is probable they will be brought forward in the foreseeable future and that there will be sufficient fiscal taxable to enable the recovery of these temporary differences.

Deferred tax assets are recorded when their recovery is probable. Deferred tax assets and liabilities for deferred taxes are classified under non-current assets and liabilities and are offset if referring to taxes which may themselves be offset. The offsetting balance, if an asset, is entered under "deferred tax assets"; if a liability, it is entered under "Liabilities for deferred taxes". When the results of the operations are directly recognized in the shareholders' equity, current taxes, assets for prepaid taxes and liabilities for deferred taxes are also recorded in the shareholders' equity.

Deferred tax assets and deferred taxes are calculated on the basis of the tax rates expected to be applied in the year said assets will realize or said liabilities will extinguish.

Criteria for conversion of items in foreign currency

Transactions in foreign currency are initially recorded in the functional currency, applying the currency spot rate the transaction first qualifies for recognition.
The monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency spot rate at the reporting date.
Any differences are recorded in the income statement.

Business combinations

Business combinations are accounted for using the acquisition method (IFRS 3R). The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value acquisition date and the amount of any non-controlling interest in the acquired. For each business combination, the acquirer measures the no controlling interest in the acquired either at fair value or at the proportionate share of the acquired identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
If business combinations are achieved in stages, the fair value of the shareholding previously held is remeasured to fair value at the acquisition date, recording any resulting profits or losses in the profit and loss account.
Each contingent consideration to be transferred to the acquirer will be recognised by the acquired at the fair value at the acquisition date. The change in the fair value of the potential consideration classified as a financial asset or liability will be recognized in accordance with the provisions of IFRS9.
If the contingent consideration is classified in equity, its value is not recalculated until its extinction is recognized against equity.
Goodwill is initially valued at the cost that emerges as the excess between the sum of the consideration paid and the amount recognized for the minority stakes with respect to the identifiable net assets acquired and the liabilities assumed by the Group. If the consideration is lower than the fair value of the net assets of the acquired subsidiary, the difference is recognized in the income statement.
After initial recognition, goodwill is valued at cost net of accumulated impairment losses. For the purpose of the impairment test, the goodwill acquired in a business combination must, from the acquisition date, be allocated to each cash-generating unit of the Group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to such units.
If the goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the divested business must be included in the carrying amount of the asset when determining the profit or the loss resulting from the divestment. The goodwill associated with the divested business must be determined on the basis of the relative values of the divested business and the retained part of the cash-generating unit.

Revenue and cost recognition

Revenues from the sale of products and services are recognized when the transfer of control of the goods and services promised to customers occurs. The control of the goods by the customer usually identifies with the delivery of the goods except in specific cases that provide for other delivery terms.
Revenues for services are recognized on the basis of the contractual provisions and substantially when the obligation to perform is fulfilled.
Revenues are presented net of discounts, allowances, returns and year-end bonuses.
Revenues of a financial nature are recognized on an accrual basis.
Costs are recognized when relating to goods and services purchased and / or received during the period and are presented net of discounts, allowances, returns and year-end bonuses.

Accounting treatment of financial assets/instruments

The Group uses derivative financial instruments to hedge its exposure to foreign currency risks on purchases and loans in currency other than the functional one, and also its exposure to the risk of changing interest rates on some variable-rate loans.
These derivative financial instruments are initially recognised at their fair value on stipulation; subsequently, this fair value is remeasured periodically; they are carried as assets when the fair value is positive and liabilities when the fair value is negative.
Fair value is the price that would be received for the sale of an asset, or would be paid for the transfer of a liability, in a standard transaction between market operators on the date of valuation.
The fair value of the derivative financial instruments used is determined on the basis of market value when it is possible to identify the market to which they actively belong. However, if the market value of a financial instrument is not easily calculable,

but its components or those of a similar instrument are calculable, the market value is determined through the evaluation of the individual components of the instrument or of the similar instrument. Furthermore, for those instruments for which an active market is not easily identifiable, the evaluation is carried out by using the value resulting from generally accepted evaluation models and techniques which ensure a reasonable approximation of the market value. All the assets and liabilities for which the fair value is valued or recorded in the financial statements are categorised on the basis of the fair value hierarchy, as described below:

- Level 1 – the quoted (not adjusted) prices on active markets for identical assets and liabilities which the entity may access on the date of valuation;
- Level 2 – Input other than the quoted prices included in Level 1, observable directly or indirectly for the asset or liability in question;
- Level 3 – valuation techniques for which the input data is not observable for the asset or liability in question.

Derivatives are classified as coverage instruments when the relation between the derivative and the object of the coverage is formally documented and the coverage, assessed periodically, is highly effective. If derivatives cover a risk concerning the cash flow variations of the instruments covered (cash flow hedge; for example coverage of cash flow variability of assets/liabilities by effect of oscillations in exchange rates), the variations in the fair value of derivatives are initially recorded at net equity and subsequently attributed to the income statement coherently with the economic effect produced by the operation covered. Should the derivatives cover the fair value risk, the change in fair value of the covering derivatives is recorded in the statement of profit or loss among the financial costs. The change in fair value of the element covered attributable to the risk covered is recorded as part of the load value of the element covered and is also recorded in the statement of profit or loss among the financial costs. The variations in fair value of the derivatives which do not satisfy the conditions required in order to be classified as coverage are recorded in the income statement for the business year.

Treasury shares

The treasury shares of the company are registered in the net equity. The original cost of own shares and the income deriving from subsequent sale are recorded as changes in net equity.

Main estimates adopted by management and discretional assessments

The preparation of the Group financial statements requires that the directors carry out discretional assessments, estimates and hypotheses that influence the value of revenues, costs, assets and liabilities, and the indication of potential liabilities at the time of the financial statements. However, uncertainty as to these hypotheses and estimates may lead to outcomes that will require future significant adjustments on the accounting value of these assets and/or liabilities.

Estimates and hypotheses used

Below is an outline of the key hypotheses concerning the future and other significant sources of uncertainty in estimates at the date of closure of the financial statements that could be the cause of significant adjustment to the value of assets and liabilities in coming business years. The results achieved could differ from these estimates. The estimates and assumptions made are periodically revised and the effects of all changes are immediately reflected in the income statement.

- Estimates adopted to evaluate the impairment of non-financial assets

In order to measure any impairment of goodwill entered in the financial statements, the Group has adopted the method previously illustrated in the section on "Losses in value of non-financial assets".

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

- *Expected credit losses* (bad debts): the Company pays great attention to the management of trade receivables by implementing procedures tailored to the situations and needs of each territory and market segment; the goal remains to safeguard corporate assets by maintaining proximity to the customer that allows for timely credit management and strengthening the relationship with the customer. In light of this, the Management has made a prudential estimate of the Expected credit losses, which can be confirmed in the coming months on the basis of the collection activities undertaken to date.

- *Economic and financial plans*: the Company has reviewed the economic and financial and performance forecasts formalized in the 2022 Budget. In the same way, it has made forecasts reflected in the financial flows underlying the impairment test for the next three years. These forecasts may be further influenced in the coming months by the developments related to the evolution of the pandemic waves and the containment measures that will be adopted as well as the trend of the next tourist flows and the future recovery of market consumption.

- Estimates adopted in the actuarial calculation for the purpose of determining defined benefit plans as part of post-employment benefits:
  - The expected inflation rate is equal to 1.75%;
  - The discounting rate used is equal to 0.44%;
  - The annual rate of increase of the severance plan is expected to be equal to 2.8%;
  - A 6.5% turnover of employees is expected

- Estimates adopted in the actuarial calculation in order to determine the provision for supplementary clientele severance indemnity:
  - The rate of voluntary turnover is expected to be 13% for MARR S.p.A. and 5% for New Catering S.r.l.;
  - The rate of corporate turnover is expected to be 2% for MARR S.p.A. and 7% per New Catering S.r.l.;
  - The discounting rate used is 0.29%[VI].

- Estimates used in calculating deferred taxes
  A significant discretional assessment is required by the directors in order to determine the total amount of deferred tax assets to be accounted. They must estimate the probable occurrence in time and the total value of future fiscally chargeable profits.

[VI] Average performance curve deriving from the index IBOXX Eurozone Corporates AA with duration 5 -7 year at the valuation date

- Other

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

  These estimates, although supported by well-defined company procedures, nevertheless require assumptions to be made concerning mainly the future realizable value of the inventories, as well as the residual useful life of the assets that can be influenced both by market trends and by the information available to the Management.

With regard to climate change, it is the object of attention by the Company's Management which seeks to assess its risks and define strategies aimed at reducing the impact on the Group's operations, and at mitigating the effects of this activity on the same. . In particular, it is believed that the climate change underway and forecast for the next few years could have repercussions on aspects of the operational management of MARR. In fact, the rise in temperatures could have reflected on the costs of refrigeration and storage of products and on the supply chain. These aspects are constantly monitored and their impact is reflected in the estimates of the economic and financial forecasts. At the date of this report, there are no significant risks of adjusting the book values of assets and liabilities or uncertainties that influence the assumptions used to make the estimates, deriving from climate change.

Accounting policies, amendments and interpretations applicable as of 1 January 2021

The valuation criteria used for the purpose of preparing the consolidated accounting statements for the financial statements as at 31 December 2021 do not differ from those used for the preparation of the consolidated financial statements for the year ended 31 December 2020, with the exception of the new accounting standards, amendments and interpretations applicable from January 1, 2021 set out below:

- Amendments to IFRS 4 Insurance Contracts - defferal of IFRS 19 (issued on 25 June 2020);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2 (issued on 27 August 2020);

Amendments to IFRS 4 Insurance Contracts deferral of IFRS19 - Currently, based on IFRS 4 - Insurance Contracts, the effective date for the application of IFRS 9, for the temporary exemption of IFRS 9, is 1st January 2021. The Exposure Draft on the amendments to IFRS 17, issued in May 2019, proposed to extend the temporary exemption from IFRS 9 by one year. Subsequently, on the basis of the restatements of the IASB, the date of entry into force of IFRS 9 was further extended to 1 January 2023 in order to align it with the date of entry into force of IFRS 17 Insurance Contracts.
In this regard, the Board issued the extension of the temporary exemption from the application of IFRS 9 (Amendments to IFRS 4) on June 25, 2020. EFRAG confirmed its view that maximum parity of conditions was required in the insurance sector in applying the temporary exemption from IFRS 9, believing that the temporary exemption from applying IFRS 9 should not be extended to banking activities that are significant at the reporting entity level. EFRAG therefore proposed to consider the issuance of a significant amount of insurance contracts under IFRS 4 as an indicator of non-prevalent banking activity.
EFRAG also believes that the changes do not present cost problems for many entities that engage in insurance business and are not dominant insurers. EFRAG could not rule out that the amendments could create a competition problem, but was still unable to conclude whether this is relevant from an economic point of view. Consequently, EFRAG issued an endorsement notice relating to these amendments which were endorsed on 13 January 2021 and published in the GUE on 14 January 2021 with mandatory application for financial statements starting from 1 January 2021 of the IFRS adopters of the countries members.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2- In August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, to IFRS 4 and IFRS 16. These amendments integrate those made in 2019 ("IBOR - phase 1") and focus on the effects on entities when an existing reference interest rate is replaced with a new reference rate at follow-up to the reform.
The IASB addressed these issues in a project divided into two phases: phase 1 addressed the pre-replacement issues (issues concerning financial reporting in the period preceding the replacement of an existing interest rate benchmark).
This part of the project ended on September 26, 2019 by publishing Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). Phase 2 of the project dealt with issues related to the replacement of the reference rate, therefore the approved changes address issues that could affect financial reporting when an existing interest rate reference index is

actually replaced. In particular, the amendments included in the Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) concerning the modification of financial assets, financial liabilities and leasing liabilities, specific hedge accounting requirements and disclosure obligations in application of IFRS 7, to accompany the changes introduced and hedge accounting:

- modification of financial assets, financial liabilities and leasing liabilities: the IASB has introduced a practical expedient for the modifications required by the reform (modifications required as a direct consequence of the IBOR reform and made on an economically equivalent basis). These changes are taken into account by updating the effective interest rate. All other changes are accounted for using the current IFRS requirements. A similar practical expedient has been proposed for the tenant's accounting that applies IFRS 16;
- hedge accounting requirements: based on the published amendments, hedge accounting is not interrupted due to the IBOR reform. The hedging relationships (and related documentation) must be modified to reflect the changes to the hedged item, the hedging instrument and the hedged risk. The modified hedging relationships should meet all the qualifying criteria for applying hedge accounting, including the effectiveness requirements;
- disclosures: in order to allow users to understand the nature and extent of the risks deriving from the IBOR reform to which the entity is exposed and the way in which the entity manages these risks as well as the progress of the entity in the transition from IBORs to alternative benchmark rates and how the entity is managing this transition. The changes require an entity to communicate information on:
    a) how to manage the transition from reference rates to alternative interest rates, the progress made at the reference date and the risks deriving from the transition;
    b) quantitative information on non-derivative financial assets, non-derivative financial liabilities and derivatives that continue to refer to the reference values of the interest rates subject to the reform, disaggregated by significant reference indexes on interest rates
    c) the extent to which the IBOR reform has resulted in changes to an entity's risk management strategy, a description of such changes and the way in which the entity manages these risks.

The IASB also amended IFRS 4 to require insurance companies that apply the temporary exemption from IFRS 9 to apply the changes in the accounting of the changes directly required by the IBOR reform.

Accounting standards, amendments and interpretations applicable in future years

The accounting standards and interpretation which, as of the date of the preparation of the Consolidated financial statements, were already issued but not yet in force are illustrated below.
These standards will be applicable in future years and from a cursory examination, the Group believes that they will not have significant impacts on the consolidated equity, financial and economic situation.

- On January 23, 2020 and on July 15, 2020 the IASB issued the documents "Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current" and the document "Classification of Liabilities as Current or Non- current - Deferral of Effective Date ''to define the requirements for the classification of liabilities as current or non-current. More specifically:
  - management's expectations regarding events after the balance sheet date, such as in the event of a violation of a covenant, are not material;
  - the amendments indicate that the conditions existing at the end of the reference period are those that must be used to determine whether there is a right to defer the settlement of a liability;
  - the amendments define more clearly the situations that are considered to be liquidation of a liability.

  Due to the spread of the Covid-19 pandemic, the IASB has proposed to postpone the effective date of the document to January 1, 2023.
- On May 18, 2017, the IASB issued IFRS 17 "Insurance Contracts", subsequently amended with the document "Amendments to IFRS 17" issued on June 25, 2020. The standard governs the accounting treatment of insurance contracts issued and contracts of reinsurance held.

  The provisions of IFRS 17 are effective starting from financial years starting on or after January 1, 2023.

- On 14 May 2020, the IASB issued the documents "Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 ". - As regards the Reference to the Conceptual Framework Amendments to IFRS 3, in May 2020 the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations . Early application of the change is permitted.
  The amendments to IAS 37 concerned the issue of costs to fulfill the contract in the context of onerous contracts. In particular, in May 2020, the IASB issued amendments to IAS 37 par. 68A, which specify the costs that a company must include in assessing whether a contract will be at a loss and is therefore recognized as an onerous contract.
  These changes should result in multiple contracts being recognized as onerous contracts because they increase the costs that are included in the valuation of the onerous contract. The amendments to IAS 16 concerned the issue of Proceeds before Intended Use. In particular, in May 2020, the IASB issued amendments to IAS 16, which prohibit a company from deducting from the cost of property, plant and equipment the amounts received from the sale of items produced while the company is preparing the asset for intended use. Conversely, a company will recognize such sales proceeds and any related costs in the income statement.
  With regard to the Annual Improvements of IFRS Standards 2018-2020, in May 2020, the IASB issued some amendments to IFRS 1 First-time adoption of International Financial Reporting Standards, IFRS 9 Financial instruments, IAS 41 Agriculture in addition to the illustrative examples accompanying the IFRS 16 Leasing.
  All amendments are effective from financial years starting on or after 1 January 2022.

- On February 12, 2021, the IASB issued the document "Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies". The aim of the amendments is to develop guidelines in order to facilitate entities to apply a materiality judgment in the disclosure on accounting principles. The amendments to IFRS Practice Statement 2 provide indications on how to apply the concept of materiality to disclosure on accounting principles.

  The amendments are effective for financial years starting on or after January 1, 2023.

- On February 12, 2021, the IASB issued the document "Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates". The amendments clarify how the company must distinguish changes in accounting policies from changes in accounting estimates, which is relevant because changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies are generally also applied in retrospectively to past transactions and other past events.
  The amendments are effective from financial years starting on or after 1 January 2023.

- On March 31, 2021, the IASB issued the document "Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond June 30 2021". - In May 2020, the IASB issued an amendment to IFRS 16 COVID-19 Related Rent Concessions. This change provided a practical expedient to account for the reduction in rent due to COVID-19. The 2020 practical gimmick was available for rent reductions that only affected payments originally due by June 30, 2021. On March 31, 2021, the IASB issued the amendment "COVID 19 - Related Rent Concessions beyond 30 June 2021 ", which extended the period to be able to make use of the practical expedient from 30 June 2021 to 30 June 2022. Table 2 summarizes the treatment of concessions on fees connected to COVID-19 after 30 June 2021. The date of entry into force is that of the financial statements starting after 1 April 2021, but early application is allowed. The transitional provisions contained in the amendment provide for a retroactive application, therefore the lessee must apply the concessions on the rents connected to COVID-9 after June 30, 2021 retrospectively, noting the cumulative effect of the first application of this amendment as an adjustment to the balance of opening of retained earnings (or, if appropriate, other component of shareholders' equity) at the beginning of the year in which it applies the amendment for the first time. It is also noted that the application of the new changes is not optional but depends on whether the practical expedient of May 2020 has been applied or not. If the tenant has already applied the practical expedient of May 2020, the tenant will have to apply the new changes. If the tenant has decided not to apply the practical expedient of May 2020, the tenant will not be able to apply the new changes. If the tenant has yet to decide whether to apply the practical expedient and decides to apply the practical expedient, the application must be retrospective.

- On May 7, 2021, the IASB issued the document "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document addresses the uncertainty in practice regarding the application of the exemption provided for by paragraphs 15 and 24 of IAS 12 to transactions that give rise to both an asset and a liability on initial recognition and may lead to temporary tax differences. of the same amount. On the basis of the proposed amendments, the exemption from initial recognition envisaged by IAS 12 would not apply to transactions which, at the time of the transaction, give rise to equal and offset amounts of taxable and deductible temporary differences.

The amendments are effective for financial years starting on or after January 1, 2023.

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

Capital management policy

As regards the management of capital, the Group's priority is to maintain an appropriate level of its equity in relation to debts accrued (Net debt/Equity or "gearing" ratio), so as to guarantee solidity in terms of equity and its adequacy to the management of cash flows.

Taking into account the fact that the financial requirements, because of the characteristics of the Company's core business, are calculated in terms of trade net working capital, the main indicator for cash flow management is summarily represented by the performance of the ratio between trade net working capital and revenues ("Trade NWC on total Revenues").
Still in relation to the seasonal nature characterising its business, the Company also monitors the performance of the single components of trade net working capital (trade receivables and payables and inventories) in terms of both absolute value and days of outstanding.
The management of capital is also measured in terms of the principal indicators of best financial practice such as: ROS, ROCE, ROE, Net debt / Equity and Net debt / EBITDA.

Financial risks management

The financial risks to which the Group is exposed in the performance of its business activities are as follows:

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

The Group employs derivative financial instruments solely for the purpose of covering some non-functional currency exposures and part of the financial exposure with variable rate.

Market risk

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

(ii) Interest rate risk: the risks relating to changes in interest rates refer to loans. Long-term loans from banks are mostly at variable rates and expose the Group to the risk of changes in cash flows due to interest. Against this risk, the Parent Company has historically stipulated specifically correlated Interest Rate Swap contracts for partial or total hedging of some loans. Fixed rate loans expose the Group to the risk of changes in the fair value of the loans.
As for the use of other short-term credit lines, the attention of management is aimed at safeguarding and consolidating relations with credit institutions in order to stabilize the spread applied to the Euribor as much as possible.

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

Credit risk

The Group only deals with known and reliable customers. It is the Group's policy that customers requesting deferred payment conditions are subject to procedures for verifying their class of merit. In addition, the balance of receivables is monitored during the year so that the amount of non-performing positions is not significant.

The credit quality of unexpired financial assets that have not suffered impairment can be assessed by referring to the internal credit management procedure.

The customer monitoring activity is mainly divided into a preliminary phase, in which data and information on new customers are collected and a phase subsequent to activation, in which a credit is recognized and the evolution of the credit position.
The preliminary phase consists in finding the administrative / fiscal data essential to allow a complete and correct assessment of the risks that the new customer entails. Customer activation is subject to the completeness of the aforementioned data and approval, after any further investigation, by the Credit Department.
A credit line is recognized for each new customer: the concession is bound to further supplementary information (years of activity, payment conditions, customer name) which are essential for assessing the solvency level. Once the overall framework has been prepared, the documentation on the potential customer is submitted for approval by the various corporate bodies.

Starting from the beginning of 2020, the health emergency impacted our country and in 2021 it continued with the consequent adoption in some periods of the year of new restrictive measures that led to the blocking or in any case the reduction of our customers' activities with a consequent contraction in volumes and a restriction of the liquidity of the catering market, albeit to a much lower extent than in the previous year.
It is clear that in this context a targeted and adequate credit management becomes a fundamental priority that must be addressed to the reduction of credit risk in order to then be able to create the conditions to be able to serve and develop our Customer by addressing the our commercial activities. In this context, the skills, knowledge of the market and the territory by our Sales Technicians and Sales Management represent a fundamental value in the management and evaluation of Credit.
To this end, all MARR operating units have been given specific Guidelines for Credit Management with the aim in particular of:

- reviewing the payment conditions in place;
- favoring commercial development on customers currently served and whose credit reliability and commercial potential is already known;
- paying close attention to the activation of new customers by granting "short" payment conditions;
- managing requests for extension of previous exposure with monthly repayment plans (rescheduling the expired on the reference date on the basis of the extension) and reducing the payment conditions for current supplies;
- favoring and encouraging electronic payment methods.

As a corollary to all this, an "internal rating" assignment activity was started on the basis of specific criteria that take into account the reliability of the credit and the customer's commercial potential.

The Credit Procedure and Credit Management Guidelines make it possible to define those rules and operational mechanisms that guarantee to generate a flow of payments such as to guarantee the Group's solvency and the profitability of the relationship.

At the reference date of the financial statements, the maximum exposure to credit risk for each of the following categories of receivables was as shown below:

(€thousand)		Balance at 31.12.21	Balance at 31.12.20
Current trade receivables		313,615	283,150
Other non-current receivables		29,766	44,894
Other current receivables		50,743	39,608
	Total	394,124	367,652

For the comments on the various categories, please refer to note 8 on "Other non-current receivables", note 11 on "Trade receivables" and note 14 on "Other current receivables".

The fair value of the above categories is not shown, as the book value constitutes a reasonable approximation of the former. The value of the trade receivables, the other non-current receivables and the other current receivables are classifiable as "Level 3" financial receivables, in other words those for which the input is not based on observable market data.

As at 31 December 2021, overdue trade receivables, net of the provision for bad debts, amounted to 73,961 thousand Euros (103,134 thousand Euros in 2020). The breakdown of these receivables by due date is as follows:

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Overdue:		
Less than 30 days	31,792	22,708
betweeen 31 and 60 days	11,710	21,809
betweeen 61 and 90 days	7,332	15,245
Over 90 days	65,960	85,965
	116,794	145,727
- Provision for write-down of receivables from customers	(42,833)	(42,593)
Total overdue trade receivables	73,961	103,134

At 31 December 2021, the nominal amount of the disputed trade receivables (all classified in the category of expired "over 90 days"), which had been impaired and undergone a write-down, amounted to 26,329 thousand Euros (32,835 thousand Euros). Those receivables were mainly related to clients in economic difficulties and the quota of these receivables that is not recoverable is specifically covered by the provision for bad debts.

Liquidity risk

The Group manages liquidity risk with a view to maintaining a level of liquidity adequate for operational management. The Group manages the liquidity risk, mainly through the constant monitoring of the centralized treasury of the collection and payment flows of all the companies. In particular, this makes it possible to monitor the flows of resources generated and absorbed by normal operating activities.
Given the dynamic nature of the sector, in order to cope with the ordinary management and seasonality of the business, the finding of liquidity is favored through the use of adequate credit lines.

For the management of resources absorbed by investment activities, preference is generally given to funding through specific long-term loans.

The following table shows the breakdown of financial liabilities and derivative financial liabilities on the basis of contractual expiry dates at the reference date of the financial statements. It is noted that the amounts shown do not reflect the book values in as much as they consider the future expected cash flows. Given the high volatility of the reference rates, the financial flows of variable rate loans have been estimated consistently with that already done in previous years, using a rate determined by the IRS at five years increased by the average spread applied to our medium and long-term loans.

(€thousand)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 december 2021				
Borrowings	103,631	95,062	27,771	102,049
Financial payables for leases (IFRS 16)	12,102	11,048	27,842	34,966
Derivative financial instruments	0	0	0	0
Trade and other payables	380,959	0	0	0
	496,692	106,110	55,613	137,015
At 31 december 2020				
Borrowings	169,779	96,520	137,310	844
Payables for the purchase of quotas or shares	9,948	9,444	18,234	23,653
Derivative financial instruments	6	0	49	0
Trade and other payables	234,579	0	0	0
	414,312	105,964	155,593	24,497

As regards the changes to the long-term quota, see that already described in the Director's Report and in the following paragraphs 16 "Non-current financial liabilities" and 17 "Lease liabilities (IFRS16)".

Classes of financial instruments

The following elements are recorded in the accounts in compliance with the accounting standards for financial instruments:

(€thousands)	31 December 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	750	0	0	750
Other non-current assets	29,766	0	0	29,766
Current financial receivables	5,787	0	0	5,787
Current derivative/financial instruments	0	0	0	0
Current trade receivables	313,615	0	0	313,615
Cash and cash equivalents	249,994	0	0	249,994
Other current receivables	50,743	0	0	50,743
Total	650,655	0	0	650,655
Liabilities as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current financial payables	219,330	0	0	219,330
Non-current lease liabilities (IFRS16)	64,718	0	0	64,718
Non-current derivative/financial instruments	0	0	0	0
Current financial payables	103,088	0	0	103,088
Current lease liabilities (IFRS16)	10,074	0	0	10,074
Current derivative financial instruments	0	6	0	6
Total	397,210	6	0	397,216

(€thousands)	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	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
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 exchanges 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) [VIII]. Similarly, as regards the non-current financial debts, the recording at fair value of which is indicated in paragraph 16 of these explanatory notes, 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 non-current and current assets, see that described in paragraphs 8 and 14 of these explanatory notes.

[VIII] 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 on the main items of the consolidated statement of financial position

ASSETS

Non-current assets

1. Tangible assets and assets held for sale

The movements in the item in the year 2021 and in the period before are the following:

(€thousand)	Balance at 31.12.20	Purchases / other movements	Net decreases for divestments	Depreciation/ Write down	Consolidation change	Balance at 31.12.19
Land and buildings	46,612	(2,210)	(75)	(2,661)	0	51,558
Improvements on leased facilities	2,494	642	0	(309)	0	2,161
Plant and machinery	6,450	1,787	(10)	(2,144)	47	6,770
Industrial and business equipment	1,551	277	(23)	(359)	0	1,656
Other assets	2,748	1,036	(158)	(1,245)	170	2,945
Fixed assets under development and advances	15,662	9,792	0	0	0	5,870
Total tangible assets	75,517	11,324	(266)	(6,718)	217	70,960
Land and buildings	2,400	2,400	0	0	0	0
Total assets held for sale	2,400	2,400	0	0	0	0
Total	77,917	13,724	(266)	(6,718)	217	70,960

(€thousand)	Balance at 31.12.21	Purchases / other movements	Net decreases for divestments	Depreciation/ Write down	Consolidation change	Balance at 31.12.20
Land and buildings	59,947	16,234	(10)	(2,889)	0	46,612
Improvements on leased facilities	2,781	518	0	(440)	209	2,494
Plant and machinery	7,944	3,516	(7)	(2,136)	121	6,450
Industrial and business equipment	1,707	539	0	(391)	8	1,551
Other assets	4,401	2,894	(69)	(1,303)	131	2,748
Fixed assets under development and advances	2,821	(12,841)	0	0	0	15,662
Total tangible assets	79,601	10,860	(86)	(7,159)	469	75,517
Land and buildings	0	0	(2,400)	0	0	2,400
Total assets held for sale	0	0	(2,400)	0	0	2,400
Total	79,601	10,860	(2,486)	(7,159)	469	77,917

The movement shown in the column "Consolidation change" 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. unipersonale. The investments for the 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 assets during the year were:

- the continuation of the works to complete the new headquarters located in the Municipality of Santarcangelo di Romagna. The head office came into operation in February 2021 and the investment in the half year mainly concerned the item "Land and buildings" for 1,087 thousand Euros and the item "Plants and Machinery" for 176 thousand Euros;
- the sale, which took place in May 2021 substantially at book value, of the property located in Santarcangelo di Romagna in Via dell'Acero 1/A where the head office was previously located. The transaction resulted in a decrease in the item "Assets held for sale" equal to 2,400 thousand Euros;
- the purchase of plant and machinery and industrial and commercial equipment for the new MARR Catania branch (for 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 "Assets under construction and advances" was reclassified for 13,417 thousand Euros in the item "Land and buildings" , for 782 thousand Euros in the item "Plant and machinery" and for 1,283 thousand Euros in the item "Other assets", for a total amount of 15,482 thousand Euros.

As regards the investments highlighted in the other items, it should be noted that these are part of the expansion and modernization works of the branches.

For details relating to the handling of tangible fixed assets and assets intended for sale, please refer to what is set out in Annex 5.

See Appendix 11 as regards the details of the Land and Buildings owned by the Group as at 31 December 2021.

2. Right of use

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 31 December 2021, as provided by the new IFRS 16 in force since 1 January 2019.

(€thousand)	Balance at 31.12.20	Purchases	Net decreases for divestments	Depreciation	Consolidation change	Balance at 31.12.19
Land and buildings - Rights of use	50,611	15,395	(2,196)	(8,469)	522	45,359
Other assets - Rights of use	1,238	1,684	(5)	(519)	0	78
Total Rights of use	51,849	17,079	(2,201)	(8,988)	522	45,437

(€thousand)	Balance at 31.12.21	Purchases	Net decreases for divestments	Depreciation	Consolidation change	Balance at 31.12.20
Land and buildings - Rights of use	69,864	24,919	(67)	(9,126)	3,527	50,611
Other assets - Rights of use	2,151	48	(14)	(1,222)	2,101	1,238
Total Rights of use	72,015	24,967	(81)	(10,348)	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 31 December 2021.

The value indicated in the "Consolidation change" column represents the value of the lease agreements of the companies acquired on 1 April 2021 Antonio Verrini S.r.l. and Chef S.r.l. unipersonale. In particular:
- the consolidation of the company Antonio Verrini S.r.l. resulted in the entry of no. 52 leases: n. 7 relating to industrial buildings and n. 45 contracts relating to other assets;
- the consolidation of the company Chef S.r.l. resulted in the entry of no. 3 leases: n. 1 relating to an industrial building and n. 2 contracts relating to other assets.

With reference to the changes shown, there is an increase in the right of use on the MARR buildings related both to the extension of lease agreements relating to the property of the Scapa Marzano branch and to the signing of new lease agreements for the facilities of the branches of MARR Catania and the new logistic platform center in Castel San Giovanni (PC).

In order to give a better understanding of this item, we attached a few details about the composition and the changes in the year.

(€thousand)	NBV 31.12.21	Depreciation	Net decreases for divestments	Purchases	Consolidation change	NBV 31.12.20
Land and buildings - MARR	65,755	(8,497)	0	24,851	0	49,401
Land and buildings - New Catering	930	(171)	(57)	12	0	1,146
Land and buildings - SiFrutta	0	(110)	(10)	56	0	64
Land and buildings - Chef	49	(37)	0	0	86	0
Land and buildings - Antonio Verri	3,130	(311)	0	0	3,441	0
Other assets - MARR	521	(707)	(7)	43	0	1,192
Other assets - New Catering	35	(11)	0	0	0	46
Other assets - Chef	22	(12)	0	0	34	0
Other assets - Antonio Verrini	1,573	(492)	(7)	5	2,067	0
Total Rights of use	72,015	(10,348)	(81)	24,967	5,628	51,849

The data indicated above is represented by n. 102 lease agreements: n. 43 relating to the industrial buildings in which some branches of the Parent Company and of the subsidiaries New Catering, Antonio Verrini S.r.l. are based and Chef S.r.l. and n. 59 contracts relating to other assets.

For details relating to the handling of the right of use, please refer to what is set out in Annex 6.

For a better understanding of the impacts, the following are the movements in the relative financial liability generated in overall terms by the application of IFRS 16 (see paragraphs 17 and 24 for more details in this regard).

Lease liabilities for right of use (€thousand)	Balance at 31.12.21	Payments	Other movements	Consolidation change	Balance at 31.12.20
Land and buildings	72,555	(7,934)	24,851	3,527	52,111
Other assets	2,237	(1,249)	34	2,101	1,351
Total	74,792	(9,183)	24,885	5,628	53,462

3. Goodwill

The following are the details of the item "Goodwill":

(€thousand)	Balance at 31.12.21	Purchases	Reclassification / other movements	Balance at 31.12.20
MARR S.p.A.	137,352	0	1,147	136,205
SiFrutta S.r.l.	0	0	(1,147)	1,147
	137,352	0	0	137,352
AS.CA S.p.a.	8,634	0	0	8,634
New Catering S.r.l.	5,082	0	0	5,082
Antonio Verrini S.r.l.	9,314	9,314	0	0
Total Goodwill	160,382	9,314	0	151,068

The increase in the item relates to the subsidiary Antonio Verrini S.r.l, while the merger of SiFrutta S.r.l. resulted in the transfer of the amount to MARR. For details, please refer to what is set out in the following paragraph "Business combinations carried out during the year".

Impairment test

At the end of each business year, the Group verifies the recoverability of the intangible assets with undefined lifetimes.

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

It should also be noted that, as already highlighted in the explanatory notes to past financial statements, management believes it correct to consider the individual subsidiaries as the smallest cash generating units.

In line with what was also done last year, at 31 December 2021 the Management assesses the return on investment and therefore the recoverability of the goodwill at the level of aggregation made up of MARR SpA and the subsidiary AS.CA SpA, based on the fact that , from 1 February 2020, the subsidiary AS.CA SpA it leased its company to the parent company MARR and therefore the activities were integrated into those of the MARR Bologna and MARR Romagna branches.

The estimate of the value in use of the group of CGUs for the purposes of the impairment test was based on the discounting of the cash flows of the group of CGUs, determined on the basis of the assumptions indicated below.

For the year 2022, the 2022 budget of the individual companies was used as the basis for calculation. The projections of the 2022 Budget approved by the Board of Directors on 15 December 2021 were made by assuming, in the absence of restrictions on commercial catering activities and travel between regions and countries, a catering market projected to hang up during 2022 of the historical values of 2019. The forecast relating to sales and margins reflects the assumptions and elements assumed by the Management itself on the basis of its formulation, considered reasonable and considered the utmost prudence in relation to the current health emergency and the consequent restrictions on mobility imposed by individual governments.

For the years 2023 and 2024, from a prudential perspective, it was assumed for all operating companies to maintain the turnover of the year 2022.

The expected future cash flows, represented by the expected result of ordinary operations, to which the amortization and depreciation are added and the expected investments are deducted, include a normalized value ("terminal value") used to estimate future results beyond the time period explicitly considered relative to the period 2022-2024.
The terminal value was determined using a long-term growth rate ("g rate") of 0%, consistent with the assumption of maintaining flat growth in turnover, carried out from a prudential perspective. The investments were made with reference to the indications of the Management which, in planning the investments up to the year 2024, provided for a total outlay for the years from 2022 to 2024 of 160.2 million Euros, without considering the outlays for the emergence of new business combinations. Investments deriving from the renewal of any expiring lease agreements were also considered.

The expected future cash flows have been discounted at a weighted average cost of capital ("WACC") rate of 6.43% (6.52% in the previous year) which reflects the current market valuation of the time value of money. for the period considered and the specific risks of the country making up the individual CGU, in line with the methodology done last year. Below are the main assumptions underlying the calculation of the WACC:

- the risk-free rate adopted refers to the average yield of the last quarter of 10-year government bonds relating to the country in which the CGU operates;
- the beta coefficient was considered taking as reference the one proposed by Aswath Damodaran, officially recognized by the "best practice" for the analysis of financial data and indices;
- the tax rate used corresponds to the "fully operational" tax rate of the country that makes up the single CGU;;
- finally, it was considered a risk premium..

In addition, it should be noted that IFRS 16 has an impact both on the book value of the net invested capital, which includes the net book value of the rights of use at the balance sheet date, and on the estimate of the 2022-2024 flows and in the terminal value, mainly due the higher operating cash flows resulting from the positive effect on the value of the Ebitda and the higher cash outflows for investments which also include the flows deriving from the renewal of lease contracts.

Although the assumptions on the macroeconomic context, the developments in the sector in which the Company operates, and the estimates of future cash flows are considered adequate and prudent, changes in the assumptions or circumstances, especially considering the particular historical moment and the economic impacts that the resurgence of the pandemic could generate on hotel and restaurant activities, may require a modification of the analysis illustrated above. Therefore, a sensitivity analysis was carried out both on the WACC and on the expected economic results, which evaluates the changes in the basic assumptions for each CGU, in order to determine any recoverable value. The results of the sensitivity analysis are reported in the table below.

In consideration of the above and on the basis of the impairment test carried out according to the principles and hypotheses analytically set out above and in the section "Main estimates adopted by management and discretionary valuations", the total goodwill value of 160,382 thousand Euros is fully recoverable.

Cash Generating Unit	Carrying amount 31.12.21	Change: Net Present Value Free Cash Flow[1] - Carrying Value (absolute value and % incidence on Carrying Value)					
		WACC 6.43%		Sensitivity with WACC 7.00%		Sensitivity with WACC 6.43% e 10% reduction in revenues in 2023 and 2024	
MARR S.p.A. + AS.CA S.p.A.	474,576	640,093	134.9%	576,270	121.4%	539,490	113.7%
New Catering S.r.l.	7,160	20,673	288.7%	18,995	265.3%	17,968	250.9%
Antonio Verrini S.r.l.	17,052	19,368	113.6%	17,889	104.9%	17,593	103.2%
Total	498,788	680,134	136.4%	613,154	122.9%	575,051	115.3%

[1] The Net Present Value Free Cash Flow is right of use calculated actualizing the expeted cash flows deriving from the Cash Generating Unit.

Business combinations closed during the year

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

Purchase consideration	*(€thousand)*
Total purchase consideration	7,730
- Fair value of the net assets identifiable	(1,584)
Goodwill	9,314

The book values, determined in accordance with the IFRS at March 31, 2021 of the acquired company, and the amounts at the same date of each class of assets, liabilities and contingent liabilities of the acquired company, are illustrated below:

The goodwill attributed to the acquisition is justified by the strategic value of the acquired company, operating in the fresh fish market in the Ligurian and Versilia area. The company, through the 5 distribution centers at its disposal, has the dual objective of further developing the contiguous territories and assisting the MARR branches in increasing the level of service, on the product categories that characterize it, for the benefit of customers.

(€thousand)	*Fair value of the acquired assets and liabilities*	*Activities and liabilities acquired*
Tangible and intangible assets	580	6,088
Cash and cash equivalents	10	10
Other current assets	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)

It should be noted that in the second quarter of the year 2021, from the date of first consolidation to 1 April 2021, the subsidiary Antonio Verrini S.r.l. has generated sales revenues of approximately 16,0 million Euros.

The price paid in the half year by MARR for this acquisition amounts to 4,679 thousand Euros, to which is added an incremental price ("earn-out") of 2 million Euros, which is expected to be paid after the preparation of the financial statements. as at 31 December 2022 of the new subsidiary.

The purchase of Chef S.r.l., on 1 April 2021, which is part of the broader acquisition of Antonio Verrini S.r.l., has generated the following effects:

Purchase consideration	(€thousand)
Total purchase consideration	56
- Fair value of the net assets identifiable	(156)
Goodwill	212

The book values, determined in accordance with IFRS as of March 31, 2021, of the acquired company and the amounts at the same date of each class of assets, liabilities and contingent liabilities of the acquired company, are illustrated below:

(€thousand)	Fair value of the acquired assets and liabilities	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 assets	460	460
Employee benefits	(106)	(106)
Provisions for risks and costs	(8)	(8)
Trade payables	(2,523)	(2,523)
Other current payables	(212)	(327)
Total activities and liabilities acquired	(144)	(156)

On 13 December 2021 the subsidiary Chef S.r.l. acquired full ownership of the Chef Sea Food Company owned by Chef Sea Food S.r.l. The company consists of systems, authorizations, equipment, trademarks, other intangible assets, licenses, permits, authorizations and includes the temporary use of a property. Following the completion of the acquisition of the Company and therefore of the full ownership and availability of the "Chef Sea Food" brand, in line with the provisions of paragraphs 45 and 46 of IFRS 3, the allocation to Startup was revised of the amount of Euro 212 thousand that had been made at the acquisition date (April 1, 2021), which by reason of what has been described was attributed to trademark.

Business combinations closed after the end of the year

No business combinations were closed after the end of the business year.

4. Other intangible assets

Below are the movements of the item in 2021 and in the previous year:

(€thousand)	Balance at 31.12.20	Purchases / other movements	Net decreases	Depreciation	Consolidation change	Balance at 31.12.19
Patents	1,162	382	0	(425)	1	1,204
Concessions, licenses, trademarks and similar rights	12	0	0	(2)	0	14
Intangible assets under development and advances	1,246	78	0	0	0	1,168
Other intangible assets	0	0	0	0	0	0
Total Other Intangible Assets	2,420	460	0	(427)	1	2,386

(€thousand)	Balance at 31.12.21	Purchases / other movements	Net decreases	Depreciation	Consolidation change	Balance at 31.12.20
Patents	1,540	714	0	(469)	133	1,162
Concessions, licenses, trademarks and similar rights	434	445	0	(24)	1	12
Intangible assets under development and advances	1,035	(211)	0	0	0	1,246
Other intangible assets	0	0	0	0	0	0
Total Other Intangible Assets	3,009	948	0	(493)	134	2,420

The increases are linked mainly to new licences, software and applications, some of which became operational during the year and some of which were still being implemented as at 31 December 2021 and are thus included in the item "Intangible assets under development and advances".
For details of the changes in intangible assets please refer to the information provided in Appendix 4.

5. Equity investments evaluated using the Net Equity Method

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Jolanda De Colò S.p.A.	1,828	1,828
Total investments at equity value	1,828	1,828

The main data as at 31 December 2021 are shown below with reference to the associate Jolanda de Colò S.p.A., 34% owned

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Jolanda De Colò S.p.A.		
Total Assets	10,075	9,070
Total Liabilities	10,075	9,070
Total Revenues	24,178	23,180
Result of the period	(199)	491

6. Non-current financial receivables

At 31 December 2021 this item amounted to 750 thousand Euros (1,070 thousand Euros as at 31 December 2020) and includes the portion beyond the year of interest-bearing financial receivables from commercial partner companies for 546 thousand Euros.

7. Financial instruments / derivatives

The amount of 1,818 thousand Euros at 31 December 2020 represented the positive fair value of the Cross Currency Swap contracts entered into by the Company to hedge the risk of fluctuation of the dollar against the Euro, with reference to the private placement of bonds in US dollars concluded in July 2013.
On 23 July 2021, together with the repayment of the bond loan, the two associated Cross Currency Swap contracts were also extinguished.

8. Other non-current assets

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Non-current trade receivables	7,666	15,700
Accrued income and prepaid expenses	3,463	3,952
Other non-current receivables	18,637	25,242
Total Other non-current assets	29,766	44,894

"Non-current trade receivables", equal to 7,666 thousand Euros (of which 1,000 thousand Euros with a maturity of more than 5 years), mostly refer to agreements and payment extensions defined with customers. Their decrease is linked to the reimbursements made during the year of the repayment plans that had been defined last year with customers as a result of the difficulties encountered by operators in the sector following the Covid-19 pandemic and the containment measures gradually. adopted by the institutions.
Prepayments are mainly linked to promotional contributions with customers of a long-term nature (the portion with maturity beyond 5 years is estimated at approximately 1,442 thousand Euros). The item "Other non-current receivables" includes, in addition to receivables from the tax authorities for VAT on customer losses for 5,234 thousand Euros, also receivables from suppliers for 12,948 thousand Euros (18,711 thousand Euros as at December 31,2020).

Current assets

9. Inventories

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Finished goods and goods for resale		
Foodstuff	43,972	31,979
Meat	11,368	10,689
Seafood	123,024	82,869
Fruit and vegetables	120	156
Hotel equipment	2,829	2,409
	181,313	128,102
provision for write-down of inventories	(1,368)	(1,368)
Goods in transit	16,796	5,239
Packaging	3,111	2,608
Total Inventories	199,852	134,581

The inventories are not encumbered by bonds or other restrictions on the right of ownership.
As also highlighted in the report on operations, the value of inventories shows an increase of 65.3 million Euros compared to 31 December 2020, mainly due to the timing of the fishing campaigns and specific procurement policies mainly in the frozen fish product market.

The changes for the year are shown below, which shows an increase of 1,034 thousand Euros in the item "Consolidation change", as a result of the merger by incorporation into MARR of the wholly-owned subsidiary SìFrutta S.r.l .

(€thousand)	Balance at 31.12.21	Change of the year	Consolidation change	Balance at 31.12.20
Finished goods and goods for resale	181,313	52,177	1,034	128,102
Goods in transit	16,796	11,557	0	5,239
Packaging	3,111	503	0	2,608
	201,220	64,237	1,034	135,949
Provision for write-down of inventories	(1,368)	0	0	(1,368)
Total Inventories	199,852	64,237	1,034	134,581

10. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Financial receivables from Parent companies	5,787	5,794
Receivables from loans granted to third parties	0	626
Total Current financial receivables	5,787	6,420

Receivables from parent companies are also interest-bearing (at rates in line with those of the market).

11. Current trade receivables

This item is composed of:

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Trade receivables from customers	353,902	323,061
Trade receivables from Parent companies	2,546	2,682
Total current receivables	356,448	325,743
Provision for write-down of receivables from customers	(42,833)	(42,593)
Total current net receivables	313,615	283,150

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Trade receivables from customers	343,136	319,701
Receivables from Associated Companies	0	0
Receivables from Associated Companies Consolidated by the Cremonini Group	10,756	3,360
Receivables from Associated Companies not Consolidated by the Cremonini Group	10	0
Total current trade receivables from customers	353,902	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 42.833 thousand Euros, as highlighted in the table below.

The receivables "from associated companies consolidated by the Cremonini Group" (10,756 thousand Euros), are analytically outlined, together with the corresponding payable items, in Appendix 9 of the these Explanatory Notes. These receivables are all of a commercial nature.

The item Receivables from customers is net of a plan for the sale of receivables on a continuing and without recourse basis as a result of the Contract initially signed in May 2014 and subsequently renewed in December 2018 for an additional period of 5 years.
As at 31 December 2021, the outstanding sold amounted to 59,998 thousand Euros (32,711 thousand Euros as at 31 December 2020), a decrease compared to last year primarily as a result of the decrease in returns because of the pandemic.

Lastly, it must be noted that as at 31 December 2021, the payables to customers for end of year bonuses was classified in reduction of the trade assets rather than in the other payables.

Receivables in foreign currencies have been adjusted to the exchange rate valid on 31 December 2021.

At each reporting date, the receivables from customers are analysed to verify the existence of indicators of impairment. In performing this analysis, the Group assesses whether there are expected losses on receivables from customers throughout the duration of such receivables and takes into consideration its historical experience in terms of losses on receivables, grouped into similar classes, and corrected on the basis of factors specific to the nature of the Group receivables and the economic context. Receivables from customers are depreciated when there is no rational expectation they will be recovered and the depreciation is recognised in the income statement in the item "amortizations and depreciations".

In 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 31.12.21	Increases	Drecreases	Consolidation change	Balance at 31.12.20
- Tax-deductible provision	1,849	1,844	(1,769)	5	1,769
- Taxed provision	40,980	11,696	(11,536)	0	40,820
- Provision for interest for late payments	4	0	0	0	4
Total Provision for write-down of Receivables from customers	42,833	13,540	(13,305)	5	42,593

12. Tax Receivables

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Ires/Irap tax advances /withholdings on interest	31	27
VAT carried forward	876	677
Irpeg litigation	25	25
Ires transferred to the Parent Company	117	117
Tax credit	3,652	4,972
Other	1,533	459
Total Tax assets	6,234	6,277

As regards the movements of the year, the tax credit arisen during the year for a total of 3,652 thousand Euros and mainly identifiable as follows:
- 3,141 thousand Euros represented by residual tax credits ("holiday bonuses") transferred during the year mainly to the Parent Company by customers against the payment of their trade receivables, as part of a MARR strategy aimed at proximity to the customer in support to operators in the Italian tourist accommodation sector;
- 510 thousand Euros represented by the tax credit accrued by the Group on investments in capital goods pursuant to Law 160/2019 and Law 178/2020, and charged to the income statement on the basis of the useful life of the assets.

13. Cash and cash equivalents

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Cash and Cheques	6,505	3,633
Bank and postal accounts	243,489	247,858
Total Cash and cash equivalents	249,994	251,491

The balance represents cash and cash equivalents and the existence of cash and securities at the closing date of the period.

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

14. Other current assets

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Accrued income and prepaid expenses	665	590
Other receivables	50,078	39,018
Total Other current assets	50,743	39,608

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Other accrued income (from loans)	*1*	*0*
Prepaid expenses		
Leases on buildings and other assets	2	3
Maintenance fees	244	266
Insurance costs/Administration services	68	75
Commercial and advertising costs	1	1
Other prepaid expenses	349	245
	664	*590*
Totale Current accrued income and prepaid expenses	665	590

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Guarantee deposits	164	131
Other sundry receivables	3,766	1,601
Provision for write-down of receivables from others	(5,592)	(5,484)
Receivables from social security institutions	576	932
Receivables from agents	2,170	1,935
Receivables from employees	41	55
Receivables from insurance companies	537	803
Advances and deposits	370	590
Advances to suppliers and supplier credit balances	47,361	37,974
Advances to suppliers and supplier credit balances from Associates	685	481
Total Other current receivables	50,078	39,018

Receivables from foreign suppliers in foreign currencies have been adjusted, if necessary, to the exchange rate valid on 31 December 2021.

It must be noted that as at December 31, 2021, some of the receivables from suppliers, concerning end of year bonuses to be received, was classified in reduction of the trade liabilities.

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

(€thousand)	Balance at 31.12.21	Increases/other movements	Decreases	Balance at 31.12.20
- Provision for Receivables from Others	5,592	1,000	(892)	5,484
Total Provision for write-down of Receivables from Others	5,592	1,000	(892)	5,484

Breakdown of receivables by geographical area

The breakdown of receivables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial receivables	748	2	0	750
Non-current derivative/financial instruments	0	0	0	0
Deferred tax assets	0	0	0	0
Other non-current assets	16,818	0	12,948	29,766
Financial receivables	5,787	0	0	5,787
Current derivative/financial instruments	0	0	0	0
Trade receivables	290,041	17,396	6,178	313,615
Tax assets	5,945	289	0	6,234
Other current assets	28,682	1,434	20,627	50,743
Total receivables by geographical area	348,021	19,121	39,753	406,895

LIABILITIES

15. 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 31 December 2021, amounting to 33,263 thousand Euros, is unchanged compared to the previous business year and 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 each.

Share premium reserve
As at 31 December 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 7,290 thousand Euros) set up following the first-time adoption of the international accounting standards and did not change during the year.

Extraordinary reserve
The decrease in the Extraordinary Reserve as of 31 December 2021, equal to 23,283 thousand Euros, is attributable to the distribution of dividends approved by the Shareholders' Meeting of 6 September 2021.

Cash flow hedge reserve
This item amounted to a positive value of 134 thousand Euros as at 31 December 2020 and is linked to the stipulation of both foreign exchange hedging contracts put in place by the Parent Company to specifically hedge a loan in foreign currency, as well as trade payables deriving from purchases commodities in foreign currency and interest rate hedging contracts specifically hedging variable rate loan contracts.
The movement in the reserve is related to the closure during the year of the underlying exchange hedging contracts.

Stock option reserve
This reserve has not undergone any changes during the year since the repayment plan concluded in April 2007 and amounts to 1,475 thousand Euros.

IAS19 reserve
This reserve amounts to a negative value of 1,064 thousand Euros at 31 December 2021 and includes the value, net of the theoretical tax effect, of the actuarial losses and profits relating to the valuation of the severance indemnity as established by the amendments made to IAS 19 "Benefits for employees ", applicable to years starting from 1 January 2013. These profits / losses have been recognized, in accordance with the provisions of IFRS, in equity and their change during the year has been highlighted (as required by IAS 1 revised, applicable from 1 January 2009) in the statement of comprehensive consolidated income.

The related deferred tax liabilities have been accounted for on the reserves in tax suspension (reserve pursuant to Art. 55 of Presidential Decree 917/86 and 597/73), which amounted to 1,444 thousand Euros at 31 December 2021.

Non-current liabilities

16. Non-current financial payables

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Payables to banks - non-current portion	119,488	204,254
Payables to other financial institutions - non-current portion	99,842	26,812
Total non-current financial payables	219,330	231,066

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Payables to banks (1-5 years)	119,488	203,412
Payables to banks (over 5 years)	0	842
Total payables to banks - Non-current portion	119,488	204,254

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Payables to other financial institutions (1-5 years)	(94)	26,812
Payables to other financisl institutions (over 5 years)	99,936	0
Total payables to other financial institutions - Non-current portic	99,842	26,812

The change in long-term payables to banks is due to the combined effect of the ordinary progress of the amortization plans and the transactions concluded during the year. In particular, the following should be noted:
- the early repayment on 31 July 2021 of the loan signed on 30 October 2019 with Caixa Bank S.A. for the amount of 25 million Euros;
- the signing on 22 September 2021 of a medium-term loan with Riviera Banca of 10 million Euros with an amortization plan of 36 months, 12 of which for pre-amortization;
- the early repayment on 30 September 2021 of the pooled loan with BNL and Cassa Depositi e Prestiti signed on 30 December 2020 for the amount of 80 million Euros.

At 31 December 2020 the value of payables to other lenders was equal to 26,812 thousand Euros and was represented entirely by the private bond placement in US dollars stipulated by the Parent Company in the month of July 2013 and maturing in 2023 (29,246 thousand Euros at 31 December 2019).
It is recalled that the loan was originally opened for a total value of 43 million dollars with an average coupon of around 5.1% and that specific contracts were in place to hedge the risk of fluctuations in the dollar against the euro. of Cross Currency Swap, for the effects of which reference should be made to paragraph 7 "Derivative financial instruments".
With regard to the movement of the financial debt component to other lenders, the following transactions occurred during the year:
- the early repayment on 23 July 2021 of the USPP bond loan signed in July 2013 for the amount of 25.3 million Euros in addition to the amount of 2.9 million Euros relating to the make whole clause for early repayment;
- the completion on 29 July 2021 of an unsecured bond loan (Senior Unsecured Notes) for 100 million Euros with a duration of 10 years.
As a result of the transactions described above, the item Other non-current payables went from 26,812 million Euros at 31 December 2020 to 99,842 million Euros at 31 December 2021.

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

Credit institutes	Interest rate	Expiry	Portion from 2 to 5 years	Portion beyond 5 years	Balance at 31.12.21
BNL	Fisso 0,75%	30/09/2023	29,992	0	29,992
Credito Valtellinese	Euribor 6m +0,75%	05/01/2024	3,773	0	3,773
Cassa di Risparmio di Ravenna	Euribor 3m +0,98%	16/05/2023	843	0	843
Rivierabanca	Euribor 6m +0,59%	04/01/2023	1,504	0	1,504
Banca Intesa SanPaolo Tranche A	Euribor 6m +0,58%	24/02/2023	3,999	0	3,999
Banca Intesa SanPaolo Tranche B	Euribor 6m +0,58%	24/02/2023	29,999	0	29,999
Credem	Euribor 3m +0,55%	04/03/2023	938	0	938
Crédit Agricole	Euribor 6m +0,90%	09/04/2026	5,844	0	5,844
UBI Banca	Euribor 3m +0,90%	20/05/2023	5,031	0	5,031
Rivierabanca	Fisso 0,65%	21/09/2024	9,995	0	9,995
Cassa Centale Banca in pool	Euribor 3m +0,55%	05/10/2024	20,044	0	20,044
Banca Popolare dell'Emilia Romagna	Euribor 6m +1,15%	25/10/2025	7,526	0	7,526
			119,488	0	119,488

It should be noted that as at 31 December 2021 there are no mortgage guarantees on the Group's properties.

The following table provides a detailed description of the financial covenants in place at the end of the half year and the related loans.

All financial covenants were complied with both at June 30, 2021 and at December 31, 2021.

Credit institutes	Due date	Residual value	Covenants			Reference Date	
			NFP/ Net Equity	NFP/ EBITDA	EBITDA/ Net financial charges	30 June	31 December
Pool BNP Paribas	30/06/2022	9,278	< 2.0	< 3.5	> 4.0	✔	✔
BNL	30/09/2023	29,973	=< 2.0	=< 3.0	>= 4.0	✔	✔
Credito Valtellinese	05/01/2024	6,273	=< 2.0	=< 3.5			✔
Intesa - Tranche A	24/02/2023	11,988	=< 2.0	=< 3.5	>= 4.0		✔
Intesa - Tranche B	24/02/2023	29,990	=< 2.0	=< 3.5	>= 4.0		✔
Crédit Agricole	09/04/2026	7,492	=< 2.0	=< 4.0			✔
Ubi Banca	20/05/2023	15,044	=< 2.0	=< 3.0			✔
Popolare dell'Emilia Romagna	25/10/2025	10,000	=< 2.0	=< 4.0			✔
		120,038					
PRICOA Private Placement bond	29/07/2031	99,819	=< 1.5	=< 3.5	>= 4.0	✔	✔
		99,819					

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

	Book Value		Fair Value	
(€thousand)	2021	2020	2021	2020
Payables to banks - non-current portion	119,488	204,254	118,857	203,635
Payables to other financial institutions - non-current portion	99,842	26,813	99,457	26,188
	219,330	231,067	218,314	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.

17. Non-current lease liabilities (IFRS16)

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Financial payables for leases - Right of use (2-5 years)	33,394	24,030
Financial payables for leases - Right of use (over 5 years)	31,324	20,904
Total payables for leases - Right of use - Non-current portion	64,718	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 are located.
The liability has been recorded in compliance with that provided by the new IFRS16, effective as of 1 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%.

18. Financial Instrument / Derivatives

The amount at 31 December 2020, equal to a financial liability of 49 thousand Euros, represented the fair value of the Interest Rate Swap contract stipulated by the Parent Company in May 2019 with Unicredit.

19. Employee benefits

This item includes the Staff Severance plan, for which changes during the period are as follows:

(€thousand)	
Opening balance at 31.12.20	*7,275*
changes in consolidation area	1,562
payments of the period	(697)
provision for the period	314
other changes	102
Closing balance at 31.12.21	8,556

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

20. Provisions for non-current risks and charges

(€thousand)	Balance at 31.12.21	Other movements	Provisions	Decreases	Consolidation change	Balance at 31.12.20
Provision for supplementary clients severance indemnity	5,625	6	178	(398)	35	5,804
Provision for specific risks	1,369	0	195	(121)	0	1,295
charges	6,994	6	373	(519)	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.

The *Provision for specific risks* was allocated mainly to hedge probable liabilities linked to certain ongoing legal disputes and its decrease is linked to the definitions of some ongoing legal disputes.

With regard to the disputes pending with the Customs Agency (which arose in 2007 with the object of the payment of preferential customs duties on certain imports of fish products and for which, despite the Company's appeals being rejected, the courts of first instance have ascertained the absolute extraneousness of the same to the alleged irregularities, as they are attributable exclusively to their suppliers) with the sentence no. 110/2020 issued by the Regional Tax Commission of Tuscany on 19 April 2021, the judges of merit have expressed themselves in favor of Company, fully confirming the provisions of the Supreme Court of Cassation with the order number 15358/19 of 16/04/2019.

Potential liabilities
It is represented that on 05.03.2021 by the INPS office in Milan, on 1 April 2021 and 23 April 2021 by the INPS office in Bologna, the Company was notified, by reason of the solidarity constraint pursuant to art. 29 Legislative Decree 276/2003, three Inspection Assessment Minutes, relating to disputed omissions of contribution payments and / or undue compensation to be paid by a cooperative service company as a consortium of two service contracting companies that terminated their relationship with MARR during the course of the year 2019 and in April 2021. MARR, supported by the opinion of its consultants based also on the briefs presented and the first hearings, believes that it cannot cause significant economic damage to it.

21. Deferred tax assets and deferred tax liabilities

As at December 31, 2021 this item amounted to a net liability of 143 thousand Euros. The table below shows the details of the items:

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
On taxed provisions	12,649	12,271
On costs deductible in cash	242	101
On costs deductible in subsequent years	1,332	1,174
On other changes	0	618
Deferred tax assets	14,223	14,164
On goodwill amortisation reversal	(9,583)	(9,107)
On funds subject to suspended taxation	(405)	(405)
On leasing recalculation as per IAS 17	(449)	(449)
On actuarial calc. of severance provision fund	261	218
On fair value revaluation of land and buildings	(3,230)	(3,454)
On allocation of acquired companies' goodwill	(708)	(667)
On cash flow hedge	0	(42)
Others	(254)	(259)
Deferred tax liabilities	(14,366)	(14,165)
Deferred tax assets/(liabilities)	(143)	(1)

22. Other non-current payables

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Other non current liabilities	2,148	1,560
Other non-current accrued expenses and deferred income	382	308
Total other non-current payables	2,530	1,868

The item "other liabilities" is represented by security deposits paid by transporters.
The 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 expiry date over 5 years.

Current liabilities

23. Current financial payables

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Payables to banks	98,214	166,810
Payables to other financial institutions	1,874	652
Payables for the purchase of quotas / shares / going concern	3,000	0
Total Current financial payables	103,088	167,462

Current payables to banks:

(€thousand)		Balance at 31.12.21		Balance at 31.12.20
Current accounts		151		225
Loans/Advances		45,813		66,404
Loans:				
- Cassa di Risparmio di Ravenna	1,673		829	
- Crédit Agricole Cariparma	0		1,262	
- Unicredit	0		8,324	
- Cassa Centrale Banca	0		3,341	
- Cassa Centrale Banca	0		3,318	
- Credito Valtellinese	2,500		1,246	
- Bper	0		3,332	
- Ubi Banca	0		3,333	
- Iccrea	0		16,931	
- BNP Paribas	9,278		18,532	
- Credem	0		1,881	
- Mediobanca	0		7,766	
- Riviera Banca	2,995		1,494	
- CaixaBank	0		6,232	
- Banca Intesa San Paolo Tranche A	7,989		7,977	
- Credito Emiliano	3,750		2,810	
- Crédit Agricole	1,649		1,641	
- Ubi Banca	10,012		9,931	
- Cassa Centrale Pool	9,930		0	
- Bper	2,474		0	
		52,250		100,180
		98,214		166,809

For more details regarding the variation in mortgages and loans, see that outlined in the paragraph 16 "Non-current financial payables".

It should also be noted that the item "Loans/Advances" includes 26,335 thousand Euros for sbf advances, 7,500 thousand Euros for importing loans and 4,000 thousand Euros for advances on invoices, and 8,000 thousand for hot money loans.

The book value of the short-term loans is reasonably in line with the fair value, as the impact of discounting back is not significant.

24. Current lease liabilities (IFRS16)

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Financial payables for leases - Right of use	10,074	8,528
Total Payables for leases - Current portion	10,074	8,528

This item includes the financial debt maturing within one year mainly related to the multi-year lease contracts of the properties where the branches of the Parent Company and of the subsidiaries New Catering S.r.l, Antonio Verrini S.r.l. are located. and Chef S.r.l. unipersonale.
As also mentioned in paragraph 17 with regard to the non-current portion of the lease liabilities, it must be noted that the liability has been recorded in compliance with that provided by the new IFRS16, effective as of 1 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%.

25. Financial instruments / derivatives

The amount as at 31 December 2021, equal to 6 thousand Euros, concerns forward transactions in foreign currency undertaken by the Parent Company to hedge the underlying transactions for the purchase of goods. These transactions are accounted as hedging financial flows.

26. Current tax liabilities

The breakdown of this item is as follows:

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Irap	1,639	3
Ires trasferred to Parent Company	11,489	770
Other taxes payables	469	266
Irpef for employees	885	646
Irpef for external assistants	282	107
Total current tributary payables	14,764	1,792

This item relates to taxes payable of a determined and certain amount.
Lastly, it should be noted that, as regards MARR S.p.A., the 2017 and following business years can still be verifiable by the fiscal authorities, by reason of the ordinary verification deadlines and excluding currently pending fiscal litigations.

27. Current trade liabilities

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Payables to suppliers	345,347	225,067
Trade payables to Parent Company	689	166
Payables to Associated Companies consolidated by the Cremonini Group	34,905	9,346
Payables to Associated Companies	0	0
Payables to other Correlated Companies	18	0
Total current trade liabilities	380,959	234,579

The trade liabilities mainly refer to payables for the purchase of goods for marketing and payables to Sales Agents. They also include "Payables to Associated Companies consolidated by the Cremonini Group" for 34,905 thousand Euros and "Trade Payables to Parent Companies" for 689 thousand Euros, the details and analysis of which are reported in the Appendix 9 of these Explanatory Notes.

It should be noted that as at December 31, 2021, part of the receivables form suppliers concerning end-of-year bonuses to be received was classified in reduction of the trade liabilities.

28. Other current liabilities

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Current accrued income and prepaid expenses	156	188
Other payables	12,932	11,732
Total other current liabilities	13,088	11,920

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Other accrued expenses	48	25
Other deferred income	81	51
Deferred income for interest from clients	27	112
Total current accrued expenses and deferred income	156	188

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Inps/Inail and other social security institutes	2,144	1,457
Enasarco/ FIRR	985	832
Payables to personnel for emoluments	5,469	4,316
Amounts due for remuneration of employees/directors	1,196	939
Advances from customers, customers credit balances	1,783	2,664
Advances from customers, customers credit balances - Associeted Company	6	6
Payables to Directors	431	252
Other sundry payables	918	1,266
Total other payables	12,932	11,732

The item "*Payables to personnel for emoluments*" and "*Accrual for remuneration of employees/directors*" includes current salaries not yet paid as at December 31, 2021 and allocations for leave accrued but not taken, with relevant charges.
It should be noted that as at December 31, 2021, the receivables form suppliers concerning end-of-year bonuses was classified in reduction of the trade liabilities rather than in the other payables.

Breakdown of payables by geographical area

The breakdown of payables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial payables	219,330	0	0	219,330
Non-current lease liabilities (IFRS16)	64,718	0	0	64,718
Non current derivative financial instruments	0	0	0	0
Employee benefits	8,556	0	0	8,556
Provisions for risks and charges	6,994	0	0	6,994
Deferred tax liabilities	143	0	0	143
Other non-current liabilities	2,530	0	0	2,530
Current financial payables	98,319	3,573	1,196	103,088
Current lease liabilities (IFRS16)	10,074	0	0	10,074
Current derivative financial instruments	0	0	0	0
Current tax liabilities	14,730	0	34	14,764
Current trade liabilities	321,932	50,850	8,177	380,959
Other current liabilities	13,059	24	5	13,088
Total payables by geographical area	760,385	54,447	9,412	824,244

Guarantees, securities and commitments

Guarantees (totalling 13,228 thousand Euros)
These refer to:

- guarantees issued on behalf of MARR S.p.A. in favor of third parties (equal to 13,188 thousand Euros) and are sureties given, at our request, by credit institutions to guarantee the correct and timely execution of tender and non-tender contracts, both annual and over-annual in duration;
- sureties given by MARR in favor of financial institutions in the interest of the subsidiaries. This item amounted, as of 31 December 2021, to a total of 40 thousand Euros and refers to the credit lines granted to Antonio Verrini S.r.l.

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Guarantees		
AS.CA S.p.A.	0	5,600
SiFrutta S.r.l.	0	1,950
Antonio Verrini S.r.l.	40	0
Total Guarantees	40	7,550

Collaterals
As described in the notes to the item "Non-current financial payables" and "Tangible assets", there are no collaterals on properties owned by the Company ongoing as at 31 December 2021.

Other risks and commitments
This item includes 12,088 thousand Euros referring to credit letters issued by certain credit institutes to guarantee obligations undertaken with our foreign suppliers.

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

29. Revenues

Revenues are composed of:

(€thousand)	31.12.2021	31.12.2020
Revenues from sales - Goods	1,420,276	1,046,854
Revenues from Services	125	158
Advisory services to third parties	147	108
Manufacturing on behalf of third parties	23	60
Rent income (typical management)	12	21
Other services	150	1,195
Total revenues	1,420,733	1,048,396

As of 31 December 2020, revenues from sales and services had been affected by the severe limitations imposed on tourism and catering activities by the pandemic containment measures implemented in Italy starting from the end of February and still in progress. The current year, although characterized by a discontinuity of phases, has recorded a significant increase in sales, mainly concentrated in the summer months.
See that described in the Directors' Report for a more detailed analysis of the performance of revenues.

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

(€thousand)	31.12.2021	31.12.2020
Italy	1,332,294	972,747
European Union	55,333	38,960
Extra-EU countries	33,106	36,689
Total	1,420,733	1,048,396

It should be noted that there are no customers capable of generating a significant concentration of revenues (10% of total revenues).
It should also be noted that the ongoing Russian-Ukrainian conflict will not have direct effects on revenues.

30. Other revenues

The Other revenues are broken down as follows:

(€thousand)	31.12.2021	31.12.2020
Contributions from suppliers and others	31,234	19,390
Other Sundry earnings and proceeds	2,757	4,406
Revenues for accrued tax credits	72	51
Reimbursement for damages suffered	747	714
Reimbursement of expenses incurred	642	546
Recovery of legal taxes	68	25
Capital gains on disposal of assets	23	149
Total other revenues	35,543	25,281

The "Contributions from suppliers and others", which also decreased because of the market trends due to the pandemic, 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.
The item "Other miscellaneous" decreases mainly due to the recognition at 31 December 2020 of a non-recurring income related to the collection of a receivable made a loss in previous years as a result of insolvency proceedings (2,320 thousand Euros).
As regards the revenues for accrued tax credits, please refer to the provisions of paragraph 12 "Tax credits".

31. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	31.12.2021	31.12.2020
Purchase of goods	1,200,797	820,957
Purchase of packages and packing material	4,406	3,128
Purchase of stationery and printed paper	747	595
Purchase of promotional and sales materials and catalogues	100	134
Purchase of various materials	545	450
Fuel for industrial motor vehicles and cars	559	247
Total purchase of goods for resale and consumables	1,207,154	825,511

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 5,736 thousand Euros (4,552 thousand Euros in the year 2020), of the part of contribution from suppliers identifiable as end-of-year bonuses.

32. Personnel costs

This item 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.

(€thousand)	31.12.2021	31.12.2020
Salaries and wages	25,677	19,905
Social security contributions	8,655	5,882
Staff Severance Provision	2,016	1,796
Other Costs	373	243
Total personnel costs	36,721	27,826

The cost of labor shows an increase of 8.9 million Euros which derives both from the significant decrease in the hours of social safety nets used in the year 2021 compared to the previous one and from the increase in the number of employees of the Group, which went from 770 to 917 and is mainly due to the entry into the consolidation area of the personnel costs of the subsidiaries Antonio Verrini Srl and Chef S.r.l. (acquired on 1 April 2021) to which 98 and 31 employees respectively belong. Specifically, the labor costs of Antonio Verrini S.r.l. is equal to 4.1 million Euros and that of Chef S.r.l. unipersonale is open at 863 thousand Euros.

It is recalled that in 2020 it was necessary to activate the labor law tools made available by the authorities to make operations as aligned as possible with the actual market trend and in this sense a number of hours of social safety nets equal to over 400,000 had been used.
The details of the Group's workforce are shown below, showing an increase in units compared to 2020 in consideration of the above.

The breakdown of employees by category is as follows:

	Workers	Employees	Managers	Total
Employees at 31.12.20	191	571	8	770
Net increases and decreases	*80*	*67*	*0*	*147*
Employees at 31.12.21	271	638	8	917
Average employees at 31.12.21	260.1	611.7	8.0	879.8

33. Amortizations, depreciation and provisions

(€thousand)	31.12.2021	31.12.2020
Depreciation of tangible assets	7,153	6,712
Depreciation of right of use	10,347	8,988
Amortization of intangible assets	493	428
Adjustment to provision for supplementary clientele severance indemnity	179	860
Allocation of provision for risks and losses	195	321
Total amortization, depreciation and provisions	18,367	17,309

As regards depreciation, reference should be made to the movements set out in paragraphs 1, 2 and 4 relating to fixed assets.
The provision for future risks and losses is related, in addition to the support activities put in place by the Parent Company for the sales technicians following the impact of the pandemic on their activities, to existing disputes with suppliers at the subsidiaries; reference should be made to the changes set out in paragraph 20 "Provisions for risks and charges".

34. Losses due to impairment of financial assets

(€thousand)	31.12.2021	31.12.2020
Allocation of taxable provisions for bad debts	12,695	17,503
Allocation of non-taxable provisions for bad debts	1,844	1,767
Depreciation of investments in other companies	125	4
Total Losses due to impairment of financial assets	14,664	19,274

The decrease in the item is mainly related to a greater prudential provision made on 31 December 2020 in the face of the situation of uncertainty on the market related to the Covid-19 health emergency and the related containment measures.
As regards the provisions to the provisions, reference should be made to the changes set out in paragraphs 11 "Current trade receivables" and to what is stated regarding receivables in the paragraph "Credit risk".

35. Other operating costs

(€thousand)	31.12.2021	31.12.2020
Operating costs for services	183,942	143,414
Operating costs for leases and rentals	478	(94)
Operating costs for other operating charges	1,687	1,566
Total other operating costs	186,107	144,886

(€thousand)	31.12.2021	31.12.2020
Sale expenses, distribution and logistic costs for our products	147,418	114,593
Energy consumption and utilities	14,559	8,951
Third-party production	2,991	3,051
Maintenance costs	5,104	4,806
Porterage and movement of goods	4,398	3,512
Advertising, promotion, exhibitions, sales (sundry items)	380	555
Directors' and statutory auditors' fees	965	727
Insurance costs	1,016	984
Reimbursement of expenses, travel costs and sundry personnel costs	399	264
General and other services	6,712	5,971
Total operating costs for services	183,942	143,414

At the level of costs for services, it should be noted that the increase in the costs of moving and distributing products, energy consumption and utilities, porterage and goods handling is directly related to the increase in sales recorded in the current year compared to the previous impacted more significantly by the restrictive measures on catering activities for the containment of the Covid-19 pandemic.

For more details, see that described in the Directors' Report.

(€thousand)	31.12.2021	31.12.2020
Lease of industrial buildings	32	49
Discount Covid-19 for leases	0	(351)
Lease of processors and other personal property	147	68
Lease of industrial vehicles	85	5
Lease of going concern	60	0
Lease of cars	10	1
Lease of plants, machinery and equipment	17	25
Rent fees and other charges paid on other personal property	127	109
Total operating costs for leases and rentals	478	(94)

As regards the costs for the use of third party assets, it should be noted that the revenue of 351 thousand Euros as at December 31, 2020 referred to the reduction in rents agreed with the tenants following the Covid-19 health emergency and mainly concerned contracts leasing of the buildings where the MARR branches are located. In accordance with the provisions of the IFRS principle, the benefit deriving from these agreements was recognized as a reduction in operating costs. Net of this effect, the cost of rents shown in the table, related to contracts expiring within twelve months and therefore not falling within the scope of IFRS16, is substantially in line with that of the previous year.

(€thousand)	31.12.2021	31.12.2020
Other indirect taxes, duties and similar charges	698	675
Expenses for recovery of debts	209	245
Other sundry charges	197	230
Capital losses on disposal of assets	190	36
IMU	310	319
Contributions and membership fees	83	61
Total operating costs for other operating charges	1,687	1,566

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

36. Financial income and charges

(€thousand)	31.12.2021	31.12.2020
Financial charges	9,459	5,959
Financial income	(917)	(1,412)
Foreign exchange (gains)/losses	(662)	751
Total financial (income) and charges	7,880	5,298

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

The detail of financial charges and income is as follows:

(€thousand)	31.12.2021	31.12.2020
Interest paid on other loans, bills discount, hot money, imports	2,984	3,165
Interest payable on loans	2,909	5
Interest payable on discounted bills, advances, exports	212	249
Interest payable on right of use	1,831	1,360
Other financial interest and charges	1,514	1,172
Interest and Other financial charges for Consolidated Parent Companies	9	8
Total financial charges	9,459	5,959

The item "Interest expense on mortgages" increased mainly due to the accounting 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 relating to the USPP bond loan signed in July 2013 and with an original maturity in July 2023.

(€thousand)	31.12.2021	31.12.2020
Other sundry financial income (interest from customers, etc.)	776	1,285
Interests and financial income from Parent Companies	22	25
Income interests from bank accounts	119	102
Total Financial Income	917	1,412

Other financial income is related to interest income from customers and suppliers for deferred payments, down from the previous year.

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

This item is broken down as follows:

(€thousand)	31.12.2021	31.12.2020
Write off investments in subsidiaries	0	218
Total Income (charge) from associated companies	0	218

The values given in the table are attributable to the associate Jolanda de Colò S.p.A., valued using the net equity method.

38. Taxes

(€thousand)	31.12.2021	31.12.2020
Ires-Ires charge transferred to Parent Company	12,606	770
Irap	2,954	871
Net provision for deferred tax liabilities	(951)	(1,831)
Previous years tax	(60)	(77)
Total taxes	14,549	(267)

Below is the reconciliation between theoretical and effective fiscal charges.

(€thousand)			31.12.2021
Result before taxation			49,620
Theoretical tax rate			24.0%
Theoretical tax burden			11,909
Items in reconciliation	Taxable amounts		
IRAP			2,954
Car expenses deductible	377	24.0%	90
Various expenses and fines	409	24.0%	98
Non deductible taxes	505	24.0%	121
Fiscal benefits on super-depreciation	(574)	24.0%	(138)
10% deduction IRAP on IRES	(178)	24.0%	(43)
ACE	(1,844)	24.0%	(443)
Other	(4)	24.0%	(1)
Total current and deferred taxes			14,549
Effective tax rate			29.3%

39. Earnings per share

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

(€)	2021	2020
EPS base	0.53	(0.04)
EPS diluted	0.53	(0.04)

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

Business year result:

(€thousand)	31.12.2021	31.12.2020
Profit for the period	35,071	(2,413)
Minority interests	0	0
Profit used to determine basic and diluted earnings per share	35,071	(2,413)

Number of shares:

(number of shares)	31.12.2021	31.12.2020
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

40. Other profits/losses

The value of the other profits / losses contained in the comprehensive income statement is made up of the effects generated and reversed in the period with reference to the following items:
- effective part of the operations of: entered into against the private placement of US dollar bonds stipulated in July 2013. Against the early repayment of the residual debt of the bond loan, the effect in the year was negative for 134 thousand Euros;
- actuarial losses relating to the valuation of the severance indemnity as established by the amendments made to IAS 19 "Employee benefits" for the amount of 253 thousand Euros.

These profits / losses have been recognized, in accordance with the provisions of IFRS, in equity and highlighted (as required by IAS 1 revised, applicable from January 1, 2009) in the statement of comprehensive consolidated income.

Net financial position [XII]

As regards the comments on the components of the net financial position and the indication of the debt and credit positions with related parties, see that described in the Directors' Report.

	MARR Consolidated (€thousand)	Note	31.12.21	31.12.20
A.	Cash		6,505	3,633
	Bank accounts		243,467	247,842
	Postal accounts		22	16
B.	Cash equivalent		243,489	247,858
C.	**Liquidity (A) + (B)**	13	**249,994**	**251,491**
	Current financial receivable due to Parent Company		5,787	5,794
	Current financial receivable due to Related Companies		0	0
	Others financial receivable		0	626
D.	**Current financial receivable**	10	**5,787**	**6,420**
E.	Current derivative/financial instruments	7	0	0
F.	Current Bank debt		(45,987)	(66,684)
G.	Current portion of non current debt		(52,227)	(100,125)
	Financial debt due to Parent Company		0	0
	Financial debt due to Related Companies		0	0
	Other financial debt		(4,874)	(659)
H.	Other current financial debt		(4,874)	(659)
I.	Current lease liabilities (IFRS16)	24	(10,074)	(8,528)
J.	**Current financial debt (F) + (G) + (H) + (I)**	23/24/25	**(113,162)**	**(175,996)**
K.	**Net current financial indebtedness (C) + (D) + (E) + (J)**		**142,619**	**81,915**
L.	Non current bank loans	16/18	(119,489)	(204,254)
M.	Non-current derivative/financial instruments	7	0	1,818
N.	Other non current loans	16/18	(99,842)	(26,861)
O.	Non-current lease liabilities (IFRS16)	17	(64,718)	(44,934)
P.	**Non current financial indebtedness (L) + (M) + (N) + (O)**		**(284,049)**	**(274,231)**
Q.	**Net financial indebtedness (K) + (P)**		**(141,430)**	**(192,316)**

XII The "Note" column indicates the reference to the item in the consolidated statement of financial position for the accurate reconciliation with same.

Events after the closing of the year

MARR has recently signed a binding framework agreement for the purchase of all the shares of a newly incorporated company: Frigor Carni S.r.l. All the activities of Frigor Carni S.a.s. have been conferred into it, except for the property that will be rented. The company is based in Montepaone Lido (Catanzaro) and operates in the marketing and distribution of food products to the food service.

Frigor Carni, founded more than 40 years ago by the Viscomi family, with over 13 million Euros in sales in 2021 (they were about 16 million in 2019, before the pandemic), about 800 customers served and 15 delivery vehicles, is the reference operator in Calabria and in particular in an area, the Ionian one, with a strong tourist vocation.
The company's commercial proposal is characterized by a significant specialization in the offer of fish products, aimed mainly at independent catering customers.
MARR, which already operates in the area from its branch of MARR Calabria in Spezzano Albanese (Cosenza), through the distribution unit of Frigor Carni, located in Montepaone Lido, strengthens its presence in the area, thus being able to raise the level of customer service and the offer of local products.

The transaction, whose closing is expected to take place next April 1, provides for a valuation of 4.8 million Euros (including tangible fixed assets) with partly deferred payment, as well as an earn-out subject to the achievement of specific objectives in 2023 and 2024. The management of Frigor Carni has also been confirmed in the persons of Messrs. Viscomi who will be entrusted with the operational and commercial management of the newly formed company.

The acquisition of Frigor Carni confirms MARR's role as market aggregator, which continues to strengthen its leadership both through a path of organic growth and targeted acquisitions, aimed at increasing service specialization.

Outlook

After the pandemic resurgence of December 2021 and January 2022, with the gradual improvement of health conditions in February, out-of-home food consumption has once again confirmed its reactivity, resuming the path of realignement with the pre-pandemic historical series.
In this context, the sales of the MARR Group in the first two months of 2022, up compared to 2021, showed in comparison with the pre-pandemic levels of 2019, a decline in January and a subsequent realignment in February.

The foodservice market is in any case impacted by inflationary dynamics that are generally affecting most of the commodities marketed by MARR and to which is added the increase in energy costs (accentuated by current international tensions) which makes its effects felt on conservation and distribution of products. Against this, the level of attention of the management remains strong to maintain a high level of customer service while keeping the management of operating costs under strict control. Expectations for out-of-home food consumption are for a normalization of consumption dynamics from the start of the next summer season, which MARR will face with a proximity to the customer and a presence in the market that have further strengthened since the beginning of the pandemic.

In this context, it should also be remembered that MARR has an organizational and distribution structure that is widespread throughout the national territory and is therefore able to guarantee an adequate level of service to all customers and in every area and activity in which food consumption is present. out-of-home, including those functional to public and health services, such as hospitals and facilities for the elderly.
Thanks to its consolidated leadership and its distribution network, MARR continues to concentrate its efforts in adapting the organizational measures and the management of the service that receive the appreciation of the Customers, who, with the support of this distribution system, can dedicate more their skills effectively in identifying areas for future development.

The Company pays great attention to the management of trade receivables and operating costs, which have always been characterized in MARR by a high incidence in the variables, with the aim of guaranteeing the continuity of quality, product and service. offered to the market, in order to help alleviate where possible the contingent difficulties of customers and allow MARR to be ready to return to full activity as soon as the current uncertainties are resolved.

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Rimini, 15 March 2022

For the Board of Directors

The Chairman

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 31 December 2021.
- Appendix 2 – Statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in the shareholders, cash flows statement (indirect method) of the Parent Company MARR S.p.A. as at 31 December 2020.
- Appendix 3 – Reconciliation as at 31 December 2021 with the values in the financial statements of the Parent Company.
- Appendix 4 – Table showing variations in Intangible Assets for the year ending 31 December 2021.
- Appendix 5 – Table showing variations in Tangible Assets for the year ending 31 December 2021.
- Appendix 6 – Table showing changes in the Right of use for the year ending 31 December 2021.
- Appendix 7 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2020. – company that exercises direct or mediated management and coordination activities.
- Appendix 8 – Information as per art. 149-duodecies of the Consob Issuers Regulation.
- Appendix 9 – Table summarising the relations with parent companies, subsidiaries, associates and other related parties.
- Appendix 10 – Reconciliation of liabilities deriving from financing activities as at 31 December 2021 and as at 31 December 2020.
- Appendix 11 – Detail of lands and buildings owned by the Group as at 31 December 2021.

Appendix 1

MARR GROUP
LIST OF EQUITY INVESTMENTS INCLUDING THOSE FALLING WITHIN
THE SCOPE OF CONSOLIDATION AT 31 DECEMBER 2021

Company	Headquarters	Share capital (€thousand)	Direct control Marr SpA	Indirect control	
				Company	Share held
COMPANY CONSOLIDATED ON A LINE-BY-LINE BASIS					
- Parent Company:					
MARR S.p.A.	Rimini	33,263			
- Subsidiaries:					
AS.CA. S.p.A.	Santarcangelo di R. (RN)	518	100.0%		
Marr Foodservice Iberica S.A.u	Madrid (Spagna)	600	100.0%		
New Catering S.r.l.	Santarcangelo di R. (RN)	34	100.0%		
Antonio Verrini S.r.l.	Santarcangelo di R. (RN)	250	100.0%		
Chef S.r.l. unipersonale	Santarcangelo di R. (RN)	100	100.0%		
INVESTMENTS EVALUATED USING THE NET EQUITY METHOD					
Jolanda De Colò S.p.A.	Palmanova (UD)	846	34.0%		
INVESTMENTS VALUED AT FAIR VALUE:					
- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	9,697	1.66%		

Appendix 2 - MARR S.p.A. STATEMENT OF FINANCIAL POSITION

(€)	*Notes*	*31.12.21*		*31.12.20*	
ASSETS					
Non-current assets					
Tangible assets	1	74,485,667		70,590,079	
Right of use	2	66,275,640		50,592,157	
Goodwill	3	138,232,466		137,085,675	
Other intangible assets	4	2,476,320		2,415,811	
Investments in subsidiaries and associated companies	5	31,444,664		24,115,304	
Investments in other companies	6	170,711		295,642	
Non-current financial receivables	7	750,443		1,069,738	
Non-current derivative/financial instruments	8	0		1,818,050	
Deferred tax assets	9	160,450		328,382	
Other non-current assets	10	29,626,166		44,755,084	
Total non-current Assets		343,622,527		333,065,922	
Current assets					
Inventories	11	192,656,980		132,863,963	
Financial receivables	12	11,696,701		7,784,833	
relating to related parties		*11,696,701*	*100.0%*	*7,158,609*	*92.0%*
Trade receivables	13	300,960,622		280,125,164	
relating to related parties		*13,609,922*	*4.5%*	*6,278,421*	*2.2%*
Tax assets	14	6,207,972		5,689,298	
relating to related parties		*11,175*	*0.2%*	*11,175*	*0.2%*
Cash and cash equivalents	15	242,376,654		247,026,799	
Other current assets	16	49,828,193		38,647,832	
relating to related parties		*690,726*	*1.4%*	*484,004*	*1.3%*
Total current Assets		803,727,122		712,137,889	
Non-current assets held for sale	1	0		2,400,000	
TOTAL ASSETS		*1,147,349,649*		*1,047,603,811*	
LIABILITIES					
Shareholders' Equity	17	336,245,736		327,948,100	
Share capital		*33,262,560*		*33,262,560*	
Reserves		*272,695,990*		*296,328,688*	
Retained Earnings		*0*		*0*	
Profit for the period		*30,287,186*		*(1,643,148)*	
Total Shareholders' Equity		336,245,736		327,948,100	
Non-current liabilities					
Non-current financial payables	18	219,330,462		231,065,672	
Non-current lease liabilities (IFRS16)	19	60,102,131		43,879,287	
relating to related parties		*2,963,981*	*4.9%*	*3,536,728*	*8.1%*
Non current derivative/financial instruments	20	0		49,529	
Employee benefits	21	6,485,082		6,780,461	
Provisions for risks and charges	22	5,494,380		5,812,491	
Deferred tax liabilities	9	0		0	
Other non-current liabilities	23	2,524,889		1,852,944	
Total non-current Liabilities		293,936,944		289,440,384	
Current liabilities					
Current financial payables	24	117,377,155		180,491,063	
relating to related parties		*14,290,323*	*12.2%*	*13,208,640*	*7.3%*
Current lease liabilities (IFRS16)	25	8,855,186		8,276,631	
relating to related parties		*572,748*	*6.5%*	*556,066*	*6.7%*
Current derivative/financial instruments	26	0		6,357	
Current tax liabilities	27	13,739,419		1,011,925	
relating to related parties		*11,396,894*	*83.0%*	*0*	*0.0%*
Current trade liabilities	28	366,844,294		229,585,742	
relating to related parties		*35,615,282*	*9.7%*	*10,316,049*	*4.5%*
Other current liabilities	29	10,350,915		10,843,609	
relating to related parties		*436,704*	*4.2%*	*258,490*	*2.4%*
Total current Liabilities		517,166,969		430,215,327	
TOTAL LIABILITIES		*1,147,349,649*		*1,047,603,811*	

MARR S.p.A. STATEMENT OF PROFIT OR LOSS

(€)	Notes	31.12.2021		31.12.2020	
Revenues	30	1,346,316,298		1,023,970,279	
relating related parties		*43,556,293*	*3.2%*	*37,812,683*	*3.7%*
Other revenues	31	34,868,297		24,600,343	
relating to related parties		*1,950,621*	*5.6%*	*1,139,254*	*4.6%*
Changes in inventories	11	59,658,882		(28,351,374)	
Purchase of goods for resale and consumables	32	(1,148,161,822)		(817,670,484)	
relating to related parties		*(128,838,529)*	*11.2%*	*(94,426,365)*	*11.5%*
Personnel costs	33	(30,846,441)		(26,695,828)	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Amortizations, depreciations and provisions	34	(16,690,700)		(15,970,192)	
Losses due to impairment of financial assets	35	(13,964,783)		(18,804,180)	
Other operating costs	36	(178,329,595)		(140,158,851)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*254,929*		*(135,987)*	
relating to related parties		*(5,736,157)*	*3.2%*	*(5,821,142)*	*4.2%*
Financial income and charges	37	(7,767,856)		(5,265,864)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*763,142*		*(565,974)*	
relating to related parties		*(133,426)*	*1.7%*	*(62,859)*	*1.2%*
Income (charge) from associated companies	38	(9,137)	*100.0%*	(671,932)	*100.0%*
Result before taxes		*45,073,143*		*(5,018,083)*	
Taxes	39	(13,142,809)		918,167	
Result for the period		*31,930,334*		*(4,099,916)*	

(€)	Notes	31.12.2021	31.12.2020
EPS base (euros)	40	0.48	(0.06)
EPS diluted (euros)	40	0.48	(0.06)

MARR S.p.A. STATEMENT OF OTHER COMPREHENSIVE INCOME

(€)	*Notes*	*31.12.2021*	*31.12.2020*
Profits/(Losses) for the period (A)		*31,930,334*	*(4,099,916)*
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		(133,941)	722,020
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		(175,789)	(6,565)
Total Other Profits/(Losses), net of taxes (B)	41	*(309,730)*	*715,455*
Comprehensive Income/(Losses) (A + B)		*31,620,604*	*(3,384,461)*

MARR S.p.A. CASH FLOWS STATEMENT (INDIRECT METHOD)

MARR S.p.A. *(€thousand)*	Ref.	*31.12.21*		*31.12.20*	
Profit for the Period		31,930		(4,100)	
Adjustment:					
Amortization / Depreciation	34	7,183		6,723	
IFRS 16 depreciation	34	9,313		8,553	
Change in deffered tax	39	(896)		(1,638)	
Allocation of provison for bad debts	35	13,840		18,800	
Allocation of provision for investments in subsidiaries	38	134		676	
Allocation of provision for risks and losses		0		75	
Provision for supplementary clientele severance indemnity	34	200		625	
Capital profit/losses on disposal of assets	31/36	169		(20)	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Financial (income) charges net of foreign exchange gains and losses	37	8,440		4,514	
relating to related parties		*133*	*1.6%*	*63*	*1.4%*
Foreign exchange evaluated (gains)/losses	37	(193)		3	
Total		38,190		38,311	
Net change in Staff Severance Provision	21	(295)		(236)	
(Increase) decrease in trade receivables	13	(33,058)		49,768	
relating to related parties		*(7,332)*	*22.2%*	*6,459*	*13.0%*
(Increase) decrease in inventories	11	(59,659)		28,351	
Increase (decrease) in trade payables	28	135,419		(84,119)	
relating to related parties		*25,299*	*18.7%*	*(63)*	*0.1%*
(Increase) decrease in other assets	10/16	4,246		3,974	
relating to related parties		*(207)*	*(4.9%)*	*(50)*	*(1.3%)*
Increase (decrease) in other liabilities	23/29	(462)		(1,183)	
relating to related parties		*178*	*(38.5%)*	*(339)*	*28.7%*
Net change in tax assets / liabilities	9/14/27	15,420		(3,567)	
relating to related parties		*11,397*	*73.9%*	*(116)*	*3.3%*
Interest paid	37	(9,378)		(5,933)	
relating to related parties		*(177)*	*1.9%*	*(96)*	*1.6%*
Interest received	37	938		1,419	
relating to related parties		*43*	*4.6%*	*33*	*2.3%*
Foreign exchange evaluated gains	37	193		0	
Foreign exchange evaluated losses		0		(3)	
Income tax paid	14/27	(1,545)		(2,935)	
relating to related parties		*0*	*0.0%*	*(2,097)*	*71.4%*
Cash-flow from operating activities		121,939		19,747	
(Investments) in other intangible assets	4	(495)		(461)	
(Investments) in tangible assets	1	(10,613)		(13,493)	
Net disposal of tangible assets	1	2,300		124	
Net (investments) in equity investments (subsidiaries and associated)	5	(10)		(4)	
Outgoing for acquisition of subsidiaries or going concerns during the year (net of cash acquired)	5	(5,086)		(800)	
Cash-flow from investment activities		(13,904)		(14,634)	
Distribution of dividends		(23,284)		0	
Other changes, including those of third parties	17	(316)		711	
Net change in liabilities (IFRS 16)	18/24	(8,210)		(7,943)	
relating to related parties		*(556)*	*6.8%*	*2,933*	*(36.9%)*
Net change in financial receivebles/payables for derivates		1,763		2,765	
Net change in financial payables (excluding the new non-current loans received)	18/24	(19,467)		39,027	
relating to related parties		*2,447*	*(12.6%)*	*10,493*	*26.9%*
New non-current loans received	18/24	230,000		122,500	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Repayment of other long - term debt	18/24	(288,214)		(93,323)	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Net change in current financial receivables	8/12	(5,277)		(447)	
relating to related parties		*(5,903)*	*111.9%*	*(372)*	*83.2%*
Net change in non-current financial receivables	7/8	320		(579)	
Cash-flow from financing activities		(112,685)		62,711	
Increase (decrease) in cash-flow		(4,650)		67,824	
Opening cash and equivalents	15	247,027		179,203	
Closing cash and equivalents		242,377		247,027	

For the reconciliation between opening and closing figures and relevant movements in the financial liabilities deriving from loans (as required by paragraph 44A of IAS 7), see Appendix 9 in the Explanatory Notes to the annual financial statements as at 31 December 2021.

MARR S.p.A. STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

Description	Share Capital	Other Reserves												Profits	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Reserve IAS 19	Total reserves	carried over	
Balance at 1st January 2020	33,263	63,348	6,652	13	36,496	106,111	1,475	7,516	(588)	1,456	9,555	(764)	231,270	66,806	331,338
Allocation of 2019 profit						64,349							**64,349**	(64,349)	
Other minor variations										(5)			**(5)**		(5)
- Result for the period														(4,100)	(4,100)
- Other Profits/Losses, net of taxes									722			(7)	**715**		715
Consolidated comprehensive loss 2020															(3,385)
Balance at 31 December 2020	33,263	63,348	6,652	13	36,496	170,460	1,475	7,516	134	1,451	9,555	(771)	296,329	(1,643)	327,948

Description	Share Capital	Other Reserves												Profits	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Reserve IAS 19	Total reserves	carried over	
Balance at 1st January 2021	33,263	63,348	6,652	13	36,496	170,460	1,475	7,516	134	1,451	9,555	(771)	296,329	(1,643)	327,948
Distribution dividends MARR S.p.A.						(23,283)							**(23,283)**		(23,283)
Merger of SiFrutta S.r.l. in MARR S.p.A.											(33)		**(33)**		(33)
Other minor variations										(7)			**(8)**		(7)
- Profit for the period														31,930	31,930
- Other Profits/Losses, net of taxes									(134)			(175)	**(309)**		(309)
Consolidated comprehensive income 2021:															31,621
Balance at 31 December 2021	33,263	63,348	6,652	13	36,496	147,177	1,475	7,516		1,444	9,522	(946)	272,696	30,287	336,246

Appendix 3 - Reconciliation as at 31 December 2020 with the values in the financial statements of the Parent Company

	Increase/(Decrease)	
	Shareholders' Equity	of which Net Profit for the period
Parent Company's shareholders' equity and profit/(loss) for the year	336,246	31,930
Effect of the consolidation on a line-by-line basis:		
-- Difference between the book value of the consolidated subsidiaries and the relevant portion of shareholders' equity	(5,460)	0
-- Allocation of the surplus of the purchase price paid for the acquisition of equity investments consolidated on a line-by-line basis, to lands, buildings and consolidation difference	16,108	(80)
-- Pro rata subsidiary profits (losses)	2,914	2,914
Allocation of the consolidation differences caused by the company amalgamations	2,718	0
Write-off of the goodwill caused by company merged	(2,053)	0
Effect of the elimination of profits not yet realised from transactions between Group companies, net of the applicable tax effect	(1,587)	(4)
Adjustments to adapt the financial statements of some consolidated companies to Group Accounting Standards	621	311
Group's share of net equity and profit/(loss)	349,507	35,071

Appendix 4 - Table showing variations in Intangible Assets for the year ending 31 December 2021

Intangible fixed assets (in thousand of Euros)	Opening Balance			Changes during the year				Closing Balance		
	Original Cost	Provision for amortization	Balance 01/01/2021	Purchases/ reclassification	Consolidation Change	Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2021
Start-Up and expansion costs										
Cost of research, development and advertising										
Cost of industrial patents and rights for the use of intellectual property	7,980	(6,818)	1,162	714	133		(469)	8,827	(7,287)	1,540
Concessions, licences, brand names, and similar rights	176	(164)	12	445	1		(24)	622	(188)	434
Goodw ill	151,068		151,068		9,314			160,382		160,382
Intangible fixed assets under development and advances	1,246		1,246	(211)				1,035		1,035
Other intangible fixed assets	436	(436)						436	(436)	
Total	**160,906**	**(7,418)**	**153,488**	**948**	**9,448**		**(493)**	**171,302**	**(7,910)**	**163,391**

Appendix 5 - Table showing variations in Tangible Assets for the year ending 31 December 2021

Tangible fixed assets	Opening balance			Changes during the year								Closing balance		
					Consolidation change	Consolidation change	Decreases		Reclassification					
(in thousand of Euros)	Original Cost	Provision for amortization	Balance 01/01/2021	Purchases/ other movements	Original cost	Prov. for am.	Original cost	Prov. for am.	Original cost	Prov. for am.	Amortization/ w rite dow n	Original Cost	Provision for amortization	Balance 31/12/2021
Land and buildings	80,450	(33,838)	46,612	2,747			(10)		13,487		(2,889)	94,520	(34,573)	59,947
Improvements on leased facities	2,880	(386)	2,494	518	209						(440)	3,607	(826)	2,781
Plant and machinery	41,598	(35,148)	6,450	2,628	121		(311)	304	888		(2,136)	44,924	(36,980)	7,944
Industrial and commercial equipment	7,925	(6,374)	1,551	539	9	(1)	(3)	3			(391)	8,470	(6,763)	1,707
Other tangible assets	17,668	(14,920)	2,748	1,611	135	(4)	(2,231)	2,162	1,283		(1,303)	18,466	(14,065)	4,401
Tangible fixed assets under development and advances	15,662		15,662	2,805					(15,646)			2,821		2,821
Total tangible assets	**166,183**	**(90,666)**	**75,517**	**10,848**	**474**	**(5)**	**(2,555)**	**2,469**	**12**		**(7,159)**	**172,808**	**(93,207)**	**79,601**
Land and buildings	2,400		2,400				(4,554)	2,154						
Total assets held for sale	**2,400**		**2,400**				**(4,554)**	**2,154**						
Total	**168,583**	**(90,666)**	**77,917**	**10,848**	**474**	**(5)**	**(7,109)**	**4,623**	**12**		**(7,159)**	**172,808**	**(93,207)**	**79,601**

Appendix 6 - Table showing changes in the Right of use for the year ending 31 December 2021

Tangible fixed assets	Opening balance			Movements during the year							Closing balance		
(in thousand of Euros)	Original Cost	Provision for amortization	Balance 01/01/2021	Consolidation change	Purchases/ other movements	Decreases		Reclassification		Amortization/ w rite dow n	Original Cost	Provision for amortization	Balance 31/12/2021
						Original cost	Prov. for am.	Original cost	Prov. for am.				
Right of use - Land and buildings	66,214	(15,603)	50,611	3,527	24,917	(295)	228			(9,124)	94,363	(24,499)	69,864
Right of use - Other assets	1,749	(511)	1,238	2,101	49	(63)	49			(1,223)	3,836	(1,685)	2,151
Total	**67,963**	**(16,114)**	**51,849**	**5,628**	**24,966**	**(358)**	**277**			**(10,347)**	**98,199**	**(26,184)**	**72,015**

Appendix 7

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

Financial Statements as of December 31, 2020

Cremonini S.p.A.		in thousands of Euros		Consolidated
		BALANCE SHEET		
		ASSETS		
82,676		Tangible assets		1,158,459
0		Right 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**

The essential data for the parent company Cremonini S.p.A. contained in the summary report required by Civil Code article 2497-bis have been extracted from the relevant financial statements for the business year closed on 31 December 2020. For an adequate and full understanding of the Cremonini S.p.A. financial situation as at 31 December 2020, and the economic result achieved by the company during the business year closed on that date, refer to the financial statements which, supplemented by the audit company's report, is available in the forms and methods provided by the law.

Appendix 8

The following table, drawn up in accordance with art. 149-duodecies of the Consob Issuers Regulation, shows the fees pertinent to business year 2021 for services rendered to the Group companies by Auditing Firms or entities belonging to the auditing firms' network:

(€thousand)	Service Company	Client	Fees pertinent to business year 2021
Auditing	PricewaterhouseCoopers S.p.A.	MARR S.p.A.	153
	PricewaterhouseCoopers S.p.A.	As.Ca S.p.a.	20
Certification service			0
Other services	PricewaterhouseCoopers Business Services S.r.l.	MARR S.p.A.	8
Total			181

Appendix 9 - Summary table of relations with parent companies, subsidiaries, associates, affiliates and other related parties.

	FINANCIAL RELATIONS						ECONOMIC RELATIONS									
COMPANY	RECEIVEBLES			PAYABLES			REVENUES				COSTS					
	Trade	Other	Financial	Trade	Other	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Personnel costs	Financial charges
From Parent Companies:																
Cremonini S.p.A. (*)	2,546	12	5,787	689	11,489		9			22		1,221				9
Total	2,546	12	5,787	689	11,489	0	9	0	0	22	0	1,221	0	0	0	9
From unconsolidated subsidiaries:																
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies:																
Jolanda De Colò							7									
Total	0	0	0	0	0	0	7	0	0	0	0	0	0	0	0	0
From Affiliated Companies (**)																
Cremonini Group																
Castelfrigo S.r.l.		5		41					5		102					
Chef Express S.p.A.	1,286						4,804		(7)			11				
C&P S.r.l.	267						628									
Fiorani & C. S.p.a.	1	421		2,375			16		450		20,265					
Global Service S.r.l.		6		379								1,161				
Guardamiglio S.r.l.	8						32									
Inalca Food and Beverage S.r.l.	941			2	2		7,884	154			7	2				
Inalca S.p.a.		78		31,639			24		1,277		103,544	9				
Italia Alimentari S.p.a.	6	161		469			6		206		4,828					
Roadhouse Grill Roma S.r.l.	687						2,424									
Roadhouse S.p.A.	7,560				4		23,860	15				1				2
From Affiliated Companies																
Le Cupole S.r.l.						3,537										112
Verrini Holding S.r.l.		62														
Verrini Immobiliare S.p.A.	10	33		18		2,399	9		128		3,440	63			11	54
Time Vending S.r.l.		20							20							
Total	10,766	786	0	34,923	6	5,936	39,687	169	2,079	0	132,186	1,247	0	0	11	168

(*) 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 Oter Related Parties																
Members of top management team					431							740				
Total	0	0	0	0	431	0	0	0	0	0	0	740	0	0	0	0

Appendix 10 – Reconciliation of liabilities arising from financial activities as at 31 December 2021 and 31 December 2020

	31 December 2021	Cash flows	Non-financial changes: Other changes/ reclassifications	Non-financial changes: Acquisition	Non-financial changes: Exchange rates variations	Non-financial changes: Fair value variation	31 December 2020
Current payables to bank	45,987	(20,697)	0	0	0	0	66,684
Current portion of non current debt	52,227	(170,488)	122,590	0	0	0	100,125
Current financial payables for bond private placement in US dollars	0	(28,860)	27,387	0	876	0	597
Current financial payables for bond private placement in Euros	676	0	676	0	0	0	0
Other current financial payables	0	0	0	0	0	0	0
Current financial payables for IFRS 16 lease contracts	10,074	(9,183)	5,101	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	3,000	(4,930)	0	7,930	0	0	0
Current financial payables for dividends approved and not distributed	1,198	0	1,198	0	0	0	0
Total current financial payables	113,162	(234,214)	156,952	13,558	876	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	119,489	37,581	(122,346)	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 bond private placement in Euros	99,842	100,000	(158)	0	0	0	0
Non-current financial payables fot IFRS 16 lease contracts	64,718	0	19,784	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	284,049	137,581	(129,532)	0	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	397,211	(96,688)	27,420	13,558	876	0	452,045

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	(91,758)
Other changes/ reclassifications, included the acquisition	27,420
Exchange rates variations	876
Fair value variation	0
Total detailed variations in the table	(63,462)
Other changes in financial liabilities	(26,523)
Net change in financial payables (IFRS16)	21,330
New non-current loans received	230,000
Net change in derivative/financial instruments	(55)
Non current loans repayment	(288,214)
Total changes shown between financing activities in the Cash Flows Statement	(63,462)

	31 December 2020	Cash flows	Other changes/ reclassifications	Non-financial changes: Acquisition	Non-financial changes: Exchange rates variations	Non-financial changes: Fair value variation	31 December 2019
Current payables to bank	66,684	27,053	0	835	0	0	38,796
Current portion of non current debt	100,125	(62,916)	32,965	0	0	0	130,076
Current financial payables for bond private placement in US dollars	597	(8,483)	654	0	(1,233)	0	9,659
Current financial payables for IFRS 16 lease contracts	8,528	(8,364)	8,459	522	0	0	7,911
Current financial payables for leasing contracts	56	(271)	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	175,990	(53,781)	42,134	2,157	(1,233)	0	186,713
Current payables/(receivables) for hedging financial instruments	6	(72)	0	0	0	6	72
Total current financial instruments	6	(72)	0	0	0	6	72
Non-current payables to bank	204,254	99,261	(32,498)	0	0	0	137,491
Non-current financial payables for bond private placement in US dollars	26,812	0	48	0	(2,482)	0	29,246
Non-current financial payables fot IFRS 16 lease contracts	44,934	0	6,420	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	276,000	99,261	(26,086)	0	(2,482)	0	205,307
Non-current payables/(receivables) for hedging financial instruments	49	(66)	0	0	0	49	66
Total non-current financial instruments	49	(66)	0	0	0	49	66
Total liabilities arising from financial activities	452,045	45,342	16,048	2,157	(3,715)	55	392,158

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	46,142
Other changes/ reclassifications, included the acquisition	16,048
Exchange rates variations	(3,715)
Fair value variation	55
Total detailed variations in the table	58,530
Other changes in financial liabilities	22,399
Net change in financial payables (IFRS16)	7,037
New non-current loans received	122,500
Net change in derivative/financial instruments	(83)
Non current loans repayment	(93,323)
Total changes shown between financing activities in the Cash Flows Statement	58,530

Appendix 11 - Detail of land and buildings owned by the Group at 31 December 2021*

(Values in thousand Euros)

	Original Cost	Prov. For. Am	Net Book Value
Building in Spezzano Albanese (CS) - St. Prov.le 19	1.888	917	971
Land in Spezzano Albanese adiacente il fabbricato	125	0	125
Building in Pistoia (PT) - Via F.Toni loc. Bottegone	5.318	2.365	2.953
Land of building Pistoia	1.000	0	1.000
Building in Santarcangelo di Romagna (RN) - Via P.Tosi 1300	14.504	398	14.106
Building in Santarcangelo di Romagna (RN)- Via dell'Acero 2-4	5.319	2.827	2.492
Land of building Via dell'Acero 2-4	2.464	0	2.464
Building in Opera (MI) - Via Cesare Pavese, 10	4.459	2.597	1.862
Land of building Opera	2.800	0	2.800
Building in San Michele al Tagl.to (VE) - Via Plerote, 6	4.229	2.275	1.954
Land of building San Michele	1.100	0	1.100
Building in Uta (CA) - Zona ind.le Macchiareddu	4.078	2.059	2.019
Land of building Uta	1.531	0	1.531
Building in Portoferraio (LI) - Località Antiche Saline	1.502	877	626
Land of building Portoferraio	990	0	990
Ownership surface Immobile in Bologna - Via Fantoni, 31	11.857	3.767	8.090
Land in Rimini loc. San Vito - Via Emilia Vecchia, 75	7.078	0	7.078
Land in Bottanuco (BG)	1.491	0	1.491
Building in Villanova di Castenaso (BO) Via Trattati di Roma, 64	3.427	1.928	1.499
Land of building in Villanova di Castenaso	2.292	0	2.292
TOTAL	77.452	20.010	57.442

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

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

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

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

   of the management and accounting procedures for the drafting of the consolidated financial statements during the year 2021.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the consolidated financial statement as at 31 December 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:

   3.1 The consolidated financial statements:

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

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

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

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

Rimini, 15 March 2022

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

Independent auditor's report

in accordance with article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

To the Shareholders of MARR SpA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MARR SpA (hereinafter also the "Company"), which comprise the statement of financial position as of 31 December 2021, the statement of profit and loss, statement of other comprehensive income, statement of changes in shareholders' equity, cash flows statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of MARR SpA as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree no. 38/2005.

Basis for opinion

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

Key audit matters

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

Key audit matters	***Auditing procedures performed in response to key audit matters***
Recoverability of goodwill	***Auditing procedures performed***
The accounting policies applied to goodwill are described in the section titled 'Accounting policies', paragraphs 'Goodwill and other intangible assets' and 'Losses in value of non-financial assets' and in the section titled 'Main estimates adopted by management and discretional assessments', paragraph 'Estimates and hypotheses used', of the notes to the consolidated financial statements. The balance of goodwill in the financial statements as of 31 December 2021 is equal to Euro 138 million approximately. We identified this as a key audit matter in consideration of the materiality of the amounts involved and the fact that the measurement process involves a high degree of judgement by management of MARR SpA in estimating the future cash flows related to the recoverability of goodwill and the assumptions applied in the calculation models. With regard to the year ended 31 December 2021, management tested goodwill for impairment using the following approach: • they determined the recoverable amount of goodwill calculating the value if use of each cash generating unit ("CGU"), applying the discounted cash flow method; • the model used explicit cash flows over a three-year horizon and applied a terminal value to the last explicit year of the projection; • the cash flows of each CGU were discounted at the weighted average cost of capital ("WACC"); • the recoverability of the amounts recognised was verified comparing he recoverable amount of each CGU to which goodwill has been allocated with the relevant value in use; • furthermore, management carried out a sensitivity analysis to assess the impact of	We obtained an understanding of the procedure used to estimate possible impairment losses approved by the Company's Board of Directors. We assessed the appropriateness of the CGUs used to allocate goodwill and their consistency with the Company's organisation structure, with internal decision-making processes and with management reporting. We assessed the method of development of the cash flow projections used to calculate value in use, the method of application of the mathematical model of discounted cash flows and the reasonableness of the calculation of WACC, with the support of our business valuation experts. Moreover, we verified the mathematical accuracy of the calculations and whether the information used matched the relevant data bases. We inquired of and discussed with management the possible need to adjust the cash flows in order to isolate the components that are not attributable to the assets in their present conditions. We carried out analyses of the projections used for the impairment test exercise. We also carried out a retrospective analysis, comparing the estimates made in previous years with the actual figures for 2021 (still affected by the adverse impact of the Covid-19 pandemic), so as to validate management's ability in developing reliable estimates. Finally, we verified the accuracy and completeness of disclosures provided in note 3 'Goodwill' of the notes to the financial statements as of 31 December 2021.

changes in the relevant assumptions on the recoverable amounts of the assets.	
Recoverability of trade receivables *The accounting policies applied to trade receivables are illustrated in the section titled 'Accounting policies', paragraph 'Receivables and other financial assets' and in the section titled 'Main estimates adopted by management and discretional assessments', paragraph 'Estimates and hypotheses used', of the notes to the consolidated financial statements.* The balance of trade receivables as of 31 December 2021 is equal to Euro 301 million approximately. We identified this as a key audit matter in consideration of the materiality of the amounts involved and the fact that the measurement process involves a high degree of judgement by the management in estimating the recoverability of receivables, specifically the assumptions applied in the calculation models used to determine the estimated future cash flows from collection of those receivables.	***Auditing procedures performed*** We carried out specific analyses to understand and evaluate relevant controls implemented by the Company on the 'Trade receivables' area, to assess the adequacy of their design. We obtained an ageing list of debtors, validating the related data base, to identify any significant overdue debtor positions, which we analysed and discussed with management, to obtain evidence supporting the estimates of coverage of insolvency risk. We also sent confirmation requests to the law firms that manage procedures relating to accounts in litigation, verifying the consistency of the evaluations made by the external professionals with the measurement of the debtor positions in the financial statements. We carried out a retrospective analysis, comparing the estimates made in previous years with the actual collection figures for 2021 (still affected by the adverse impact of the Covid-19 pandemic), so as to validate management's ability in determining the estimated future cash flows from collection of trade receivables. Finally, we verified the accuracy and completeness of disclosures provided in note 13 - 'Current trade receivables' and note 35 - 'Losses due to impairment of financial assets' included in the notes to the financial statements as of 31 December 2021.

Responsibilities of the Directors and those charged with governance ("Collegio Sindacale") for the financial statements

The Directors of MARR SpA are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree no. 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance *("Collegio Sindacale")* of MARR SpA are responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- we identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Additional disclosures required by article 10 of Regulation (EU) no. 537/2014

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

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) no. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

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

Report on compliance with other laws and regulations

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

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

We have performed the procedures specified in auditing standard (SA Italy) no. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with article 14, paragraph 2, letter e) of Legislative Decree no. 39/2010 and article 123-bis, paragraph 4 of Legislative Decree no. 58/1998

The Directors of MARR SpA are responsible for preparing a report on operations (a single report for the separate and the consolidated financial statements) and a report on the corporate governance and ownership structure of MARR SpA as of 31 December 2021, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italy) no. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree no. 58/1998, with the financial statements of MARR SpA as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of MARR SpA as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e) of Legislative Decree no. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Bologna, 30 March 2022

PricewaterhouseCoopers SpA

signed by

Gianni Bendandi
(Partner)

"This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian is authoritative. Reference in this report to the financial statements refer to the financial statements in original Italian and not to any their translation."

MARR S.p.A.

Financial Statements as at December 31, 2021

STATEMENT OF FINANCIAL POSITION

(€)	*Notes*	*31.12.21*		*31.12.20*	
ASSETS					
Non-current assets					
Tangible assets	1	74,485,667		70,590,079	
Right of use	2	66,275,640		50,592,157	
Goodwill	3	138,232,466		137,085,675	
Other intangible assets	4	2,476,320		2,415,811	
Investments in subsidiaries and associated companies	5	31,444,664		24,115,304	
Investments in other companies	6	170,711		295,642	
Non-current financial receivables	7	750,443		1,069,738	
Non-current derivative/financial instruments	8	0		1,818,050	
Deferred tax assets	9	160,450		328,382	
Other non-current assets	10	29,626,166		44,755,084	
Total non-current Assets		343,622,527		333,065,922	
Current assets					
Inventories	11	192,656,980		132,863,963	
Financial receivables	12	11,696,701		7,784,833	
relating to related parties		*11,696,701*	*100.0%*	*7,158,609*	*92.0%*
Trade receivables	13	300,960,622		280,125,164	
relating to related parties		*13,609,922*	*4.5%*	*6,278,421*	*2.2%*
Tax assets	14	6,207,972		5,689,298	
relating to related parties		*11,175*	*0.2%*	*11,175*	*0.2%*
Cash and cash equivalents	15	242,376,654		247,026,799	
Other current assets	16	49,828,193		38,647,832	
relating to related parties		*690,726*	*1.4%*	*484,004*	*1.3%*
Total current Assets		803,727,122		712,137,889	
Non-current assets held for sale	1	0		2,400,000	
TOTAL ASSETS		*1,147,349,649*		*1,047,603,811*	
LIABILITIES					
Shareholders' Equity	17	336,245,736		327,948,100	
Share capital		*33,262,560*		*33,262,560*	
Reserves		*272,695,990*		*296,328,688*	
Retained Earnings		*0*		*0*	
Profit for the period		*30,287,186*		*(1,643,148)*	
Total Shareholders' Equity		336,245,736		327,948,100	
Non-current liabilities					
Non-current financial payables	18	219,330,462		231,065,672	
Non-current lease liabilities (IFRS16)	19	60,102,131		43,879,287	
relating to related parties		*2,963,981*	*4.9%*	*3,536,728*	*8.1%*
Non current derivative/financial instruments	20	0		49,529	
Employee benefits	21	6,485,082		6,780,461	
Provisions for risks and charges	22	5,494,380		5,812,491	
Deferred tax liabilities	9	0		0	
Other non-current liabilities	23	2,524,889		1,852,944	
Total non-current Liabilities		293,936,944		289,440,384	
Current liabilities					
Current financial payables	24	117,377,155		180,491,063	
relating to related parties		*14,290,323*	*12.2%*	*13,208,640*	*7.3%*
Current lease liabilities (IFRS16)	25	8,855,186		8,276,631	
relating to related parties		*572,748*	*6.5%*	*556,066*	*6.7%*
Current derivative/financial instruments	26	0		6,357	
Current tax liabilities	27	13,739,419		1,011,925	
relating to related parties		*11,396,894*	*83.0%*	*0*	*0.0%*
Current trade liabilities	28	366,844,294		229,585,742	
relating to related parties		*35,615,282*	*9.7%*	*10,316,049*	*4.5%*
Other current liabilities	29	10,350,915		10,843,609	
relating to related parties		*436,704*	*4.2%*	*258,490*	*2.4%*
Total current Liabilities		517,166,969		430,215,327	
TOTAL LIABILITIES		*1,147,349,649*		*1,047,603,811*	

STATEMENT OF PROFIT OR LOSS

(€)	Notes	31.12.2021		31.12.2020	
Revenues	30	1,346,316,298		1,023,970,279	
relating related parties		*43,556,293*	*3.2%*	*37,812,683*	*3.7%*
Other revenues	31	34,868,297		24,600,343	
relating to related parties		*1,950,621*	*5.6%*	*1,139,254*	*4.6%*
Changes in inventories	11	59,658,882		(28,351,374)	
Purchase of goods for resale and consumables	32	(1,148,161,822)		(817,670,484)	
relating to related parties		*(128,838,529)*	*11.2%*	*(94,426,365)*	*11.5%*
Personnel costs	33	(30,846,441)		(26,695,828)	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Amortizations, depreciations and provisions	34	(16,690,700)		(15,970,192)	
Losses due to impairment of financial assets	35	(13,964,783)		(18,804,180)	
Other operating costs	36	(178,329,595)		(140,158,851)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*254,929*		*(135,987)*	
relating to related parties		*(5,736,157)*	*3.2%*	*(5,821,142)*	*4.2%*
Financial income and charges	37	(7,767,856)		(5,265,864)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*763,142*		*(565,974)*	
relating to related parties		*(133,426)*	*1.7%*	*(62,859)*	*1.2%*
Income (charge) from associated companies	38	(9,137)	*100.0%*	(671,932)	*100.0%*
Result before taxes		***45,073,143***		***(5,018,083)***	
Taxes	39	(13,142,809)		918,167	
Result for the period		***31,930,334***		***(4,099,916)***	

(€)	Notes	31.12.2021	31.12.2020
EPS base (euros)	40	0.48	(0.06)
EPS diluted (euros)	40	0.48	(0.06)

STATEMENT OF OTHER COMPREHENSIVE INCOME

(€)	*Notes*	*31.12.2021*	*31.12.2020*
Profits/(Losses) for the period (A)		*31,930,334*	*(4,099,916)*
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		(133,941)	722,020
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		(175,789)	(6,565)
Total Other Profits/(Losses), net of taxes (B)	41	*(309,730)*	*715,455*
Comprehensive Income/(Losses) (A + B)		*31,620,604*	*(3,384,461)*

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY
(Note no. 17)

Description	Share Capital	Other Reserves												Profits carried over	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Reserve IAS 19	Total reserves		
Balance at 1st January 2020	33,263	63,348	6,652	13	36,496	106,111	1,475	7,516	(588)	1,456	9,555	(764)	231,270	66,806	331,338
Allocation of 2019 profit						64,349							64,349	(64,349)	
Other minor variations										(5)			(5)		(5)
- Result for the period														(4,100)	(4,100)
- Other Profits/Losses, net of taxes									722			(7)	715		715
Consolidated comprehensive loss 2020															(3,385)
Balance at 31 December 2020	33,263	63,348	6,652	13	36,496	170,460	1,475	7,516	134	1,451	9,555	(771)	296,329	(1,643)	327,948

Description	Share Capital	Other Reserves												Profits carried over	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Reserve IAS 19	Total reserves		
Balance at 1st January 2021	33,263	63,348	6,652	13	36,496	170,460	1,475	7,516	134	1,451	9,555	(771)	296,329	(1,643)	327,948
Distribution dividends MARR S.p.A.						(23,283)							(23,283)		(23,283)
Merger of SiFrutta S.r.l. in MARR S.p.A.											(33)		(33)		(33)
Other minor variations										(7)			(8)		(7)
- Profit for the period														31,930	31,930
- Other Profits/Losses, net of taxes									(134)			(175)	(309)		(309)
Consolidated comprehensive income 2021															31,621
Balance at 31 December 2021	33,263	63,348	6,652	13	36,496	147,177	1,475	7,516		1,444	9,522	(946)	272,696	30,287	336,246

CASH FLOWS STATEMENT (INDIRECT METHOD)

MARR S.p.A. *(€thousand)*	Ref.	*31.12.21*		*31.12.20*	
Profit for the Period		31,930		(4,100)	
Adjustment:					
Amortization / Depreciation	34	7,183		6,723	
IFRS 16 depreciation	34	9,313		8,553	
Change in deffered tax	39	(896)		(1,638)	
Allocation of provison for bad debts	35	13,840		18,800	
Allocation of provision for investments in subsidiaries	38	134		676	
Allocation of provision for risks and losses		0		75	
Provision for supplementary clientele severance indemnity	34	200		625	
Capital profit/losses on disposal of assets	31/36	169		(20)	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Financial (income) charges net of foreign exchange gains and losses	37	8,440		4,514	
relating to related parties		*133*	*1.6%*	*63*	*1.4%*
Foreign exchange evaluated (gains)/losses	37	(193)		3	
Total		38,190		38,311	
Net change in Staff Severance Provision	21	(295)		(236)	
(Increase) decrease in trade receivables	13	(33,058)		49,768	
relating to related parties		*(7,332)*	*22.2%*	*6,459*	*13.0%*
(Increase) decrease in inventories	11	(59,659)		28,351	
Increase (decrease) in trade payables	28	135,419		(84,119)	
relating to related parties		*25,299*	*18.7%*	*(63)*	*0.1%*
(Increase) decrease in other assets	10/16	4,246		3,974	
relating to related parties		*(207)*	*(4.9%)*	*(50)*	*(1.3%)*
Increase (decrease) in other liabilities	23/29	(462)		(1,183)	
relating to related parties		*178*	*(38.5%)*	*(339)*	*28.7%*
Net change in tax assets / liabilities	9/14/27	15,420		(3,567)	
relating to related parties		*11,397*	*73.9%*	*(116)*	*3.3%*
Interest paid	37	(9,378)		(5,933)	
relating to related parties		*(177)*	*1.9%*	*(96)*	*1.6%*
Interest received	37	938		1,419	
relating to related parties		*43*	*4.6%*	*33*	*2.3%*
Foreign exchange evaluated gains	37	193		0	
Foreign exchange evaluated losses		0		(3)	
Income tax paid	14/27	(1,545)		(2,935)	
relating to related parties		*0*	*0.0%*	*(2,097)*	*71.4%*
Cash-flow from operating activities		121,939		19,747	
(Investments) in other intangible assets	4	(495)		(461)	
(Investments) in tangible assets	1	(10,613)		(13,493)	
Net disposal of tangible assets	1	2,300		124	
Net (investments) in equity investments (subsidiaries and associated)	5	(10)		(4)	
Outgoing for acquisition of subsidiaries or going concerns during the year (net of cash acquired)	5	(5,086)		(800)	
Cash-flow from investment activities		(13,904)		(14,634)	
Distribution of dividends		(23,284)		0	
Other changes, including those of third parties	17	(316)		711	
Net change in liabilities (IFRS 16)	18/24	(8,210)		(7,943)	
relating to related parties		*(556)*	*6.8%*	*2,933*	*(36.9%)*
Net change in financial receivebles/payables for derivates		1,763		2,765	
Net change in financial payables (excluding the new non-current loans received)	18/24	(19,467)		39,027	
relating to related parties		*2,447*	*(12.6%)*	*10,493*	*26.9%*
New non-current loans received	18/24	230,000		122,500	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Repayment of other long - term debt	18/24	(288,214)		(93,323)	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Net change in current financial receivables	8/12	(5,277)		(447)	
relating to related parties		*(5,903)*	*111.9%*	*(372)*	*83.2%*
Net change in non-current financial receivables	7/8	320		(579)	
Cash-flow from financing activities		(112,685)		62,711	
Increase (decrease) in cash-flow		(4,650)		67,824	
Opening cash and equivalents	15	247,027		179,203	
Closing cash and equivalents		242,377		247,027	

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 9 to the following explanatory notes.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

The Company (hereinafter "MARR S.p.A."), with its legal form Joint Stock Company, has its headquarter in Via Spagna n. 20 - 47921 Rimini, Italy and mainly operates in Italy in the marketing and distribution of fresh, dried and frozen food products to the Foodservice.

The Company is controlled by Cremonini S.p.A., the essential figures of which are in Appendix 5 below.

The financial statements for the business year closing as at 31 December 2021 were authorised for publication by the Board of Directors on 15 March 2022.

Structure and contents of the financial statements

The MARR S.p.A. financial statements as at 31 December 2020 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 as acknowledged by Legislative Decree 38 dated 28 February 2005 and subsequent CONSOB amendments, communications and decisions.

The financial statements are prepared on the basis of the historical cost principle, except for derivatives, which are recorded at fair value, and the right of use, recorded on compliance with IFRS 16, and the relevant financial payables.

Reference to the international accounting standards, adopted in the preparation of the MARR S.p.A. financial statements as at 31 December 2021, is indicated in the "Accounting policies" section.
Specifically, the preparation of these financial statements has involved the application of the same accounting standards as those for the financial statements as at 31 December 2021, except for the adoption of the new standards, changes and interpretations in force since 1 January 2022.

For the purposes of the application of IFRS 8 it is noted that the Company operates in the "Distribution of food products to the Foodservice" sector only.
This sector is subject to seasonal trends mainly linked to flows during the tourist season, which are more concentrated in the summer months, during which the increase in activities, and thus in the net working capital, historically generates the absorption of cash flows and thus an increase in financial requirements.
As regards performance levels in 2021, see that described in the Directors' Report on management performance.

The MARR S.p.A. financial statements as at 31 December 2021 include, for comparative purposes, the figures for the year ended on 31 December 2020.

The following classifications were 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 Company.

The operating and accounting currency is the Euro.

As regards the statements shown in these financial statements, the Statement of Financial Position, the Statement of Profit or Loss and the Statement of Other Comprehensive Income are shown in Euros, while the Cash Flows Statement and the Statement of Changes in the Shareholders' Equity are shown in thousand Euros.
The tables contained are shown in thousand Euros.

Business continuity

MARR has defined a clear approach - reaffirmed at the beginning of the pandemic and remodeled in the continuous changes of context that have taken place over the last year - which it is concretely implementing in pursuing its strategic guidelines:

i. strengthening of liquidity, at the end of 2021 MARR recorded 250 million Euros liquidity (251.5 million Euros as of 31 December 2020), doubling the levels of the beginning of the pandemic, thanks to the cash flow generated by management as a consequence of the increase in sales compared to the previous year, the confidence of financial institutions, a careful management of all components of working capital and a selective approach to investments, favoring those aimed at growth;

ii. correct management of operating costs, achieved through the intervention on fixed costs and the optimization of the management of the logistics and distribution network in a flexible way in the various phases of the pandemic, always with the aim of not losing support and service to the Customer;

iii. consolidation of its leadership position and relationship with the market by guaranteeing its professional partners / customers a high standard of service, in full compliance with health regulations throughout the supply chain, capable of satisfying and guaranteeing the final consumer. With a view to customer service, it is recalled that the initiatives for the monetization of government contributions continued in 2021 (eg management of the "Holiday Bonus" and "Rental Bonus"), in addition to the offer of local products and Made in Italy. Customer who remains at the center of MARR's attention through an integrated approach, which is based on "phygital marketing" initiatives or a balanced combination of "physical" approach and "digital" tools;

iv. identification of new business opportunities with particular regard to forms of service (take away, food delivery) and product lines (eg packaging, sanitizers, disinfectants, food ready to eat) that have strengthened during the pandemic;

v. further strengthening of MARR's competitive position following the foreseeable consolidation of the market as soon as the pandemic emergency is over. In this consolidation process, which will benefit the more structured operators, MARR, in line with its role as leader, will seize the opportunities that strengthen its offer and presence to further raise its level of service. In this respect, the acquisitions made in 2021 of the companies Antonio Verrini S.r.l. and Chef S.r.l. Unipersonale in the sector of processing and marketing of fish products (fresh in particular) and the signing in these days a binding framework agreement for the purchase of all the shares of a newly established company, Frigor Carni Srl, represent a confirmation of MARR's role of Market aggregator , which continues to strengthen its leadership both through a path of organic growth and through targeted acquisitions, aimed at increasing service specialization;

vi. ESG, MARR as market leader has always paid high attention and intends to implement more and more concrete actions aimed at Sustainability. In order to achieve this goal, the drafting of the Sustainability Report - Consolidated Non-Financial Declaration 2021 pursuant to Legislative Decree 254/2016 is included. MARR, for the purposes of preparing the Sustainability Report - Consolidated Non-Financial Declaration 2021, has implemented an analysis process conducted according to the guidelines for sustainability reporting of the GRI (Global Reporting Initiative) Standard aimed at identifying the issues that could affect the ability to create value and which are most relevant to the Company and its stakeholders. The Sustainability Report will be made public on the Company's website within the terms of the law.

While considering the complexity of a rapidly evolving market context, the Company considers the going concern assumption appropriate and correct, taking into account its ability to meet its obligations in the foreseeable future and in particular in the next 12 months, also on the basis of the solidity of the financial structure of the Group with reference to which the following is highlighted:

- the substantial stock of available liquidity (more than 250 million Euros at 31 December 2021);
- credit lines granted and not used as at 31 December 2021 for an amount not less than 200 million Euros;
- the support of the main banks, thanks to its leadership position in the sector in which it operates;
- compliance with the financial covenants at both June 30, 2021 and December 31, 2021 and, on the basis of this, a forecast of confirmation of the same also for the future;
- the subscription on 29 July 2021 of an unsecured bond loan (Senior Unsecured Notes) for 100 million Euros, intended for a US institutional investor (Pricoa Private Capital, a company of The Prudential Insurance Company of America) with a duration of 10 years.

These financial statements have been prepared using the principles and accounting policies illustrated below.

Accounting policies

The accounting standards and policies used in the preparation of the MARR S.p.A. financial statements as at 31 December 2021 are the same as those used in preparing the consolidated financial statements, which see, except for the following standards:

Holdings in subsidiary and associate companies

The holdings in subsidiary and associate companies are recorded at adjusted cost in the presence of impairment. The positive difference, emerging during purchase, between the purchase cost and the portion of shareholders' equity at current values of the holding owned by the company is therefore included in the book value of the holding.

Impairment – A holding undergoes an impairment when its accounting value exceeds its recoverable value. The accounting values of the holdings are subject to assessment whenever there are obvious indicators internal and external to the company indicating the possibility of impairment of the holding or a group of holdings, as provided by the IAS.
Impairment of Assets.
In particular, the indicators analysed to assess whether a holding has been impaired must include considering whether the parent company has recorded a dividend obtained from the holding and if there is proof that:
• the accounting value of the holding in the financial statements exceeds the accounting value in the consolidated financial statements of the net assets of the subsidiary, including goodwill;
or
• the dividend exceeds the total overall profits of the subsidiary for the year to which the dividend refers.
The recoverable value is the greater of the fair value net of sales costs and the use value.
The fair value is the price that would be received for the sale of an asset of that would be paid for the transfer of a liability in a proper transaction between market operators on the transaction date.
The use value is the current value of the future financial flows expected to originate from an asset.
In determining the use value, the estimated future cash flows are discounted at their current value using a rate gross of taxes that reflects the current market assessments of the cost of cash and the specific risks of the asset.
If the recoverable value of an asset is estimated to be less than the relative accounting value, the latter is reduced to the recoverable vale, recording an impairment in the statement of profit or loss.
When there is no longer the need to maintain a depreciation, the accounting value of the asset is increased to the new value deriving from the estimate of its recoverable value, but not more than the original cost, attributing the recovery in value to the Statement of Profit or Loss.

Dividends
The revenues from dividends are accounted when the right arises for the shareholders to receive the payment, after the resolution by the shareholders' meeting of the holding company.
Dividends payable by the Company are represented as a movement in the shareholders' equity during the year in which they are approved by the Shareholders' Meeting and are represented as a liability when the allocation of said dividend is approved.

For details on the new accounting standards and interpretations applicable as of 1 January 2020, and those applicable afterwards, see that described in the explanatory notes to the consolidated financial statements.

Main estimates adopted by management and discretional assessments

The preparation of the Group financial statements requires that the directors carry out discretional assessments, estimates and hypotheses that influence the value of revenues, costs, assets and liabilities, and the indication of potential liabilities at the time of the financial statements. However, uncertainty as to these hypotheses and estimates may lead to outcomes that will require future significant adjustments on the accounting value of these assets and/or liabilities.

Estimates and hypotheses used

Below is an outline of the key hypotheses concerning the future and other significant sources of uncertainty in estimates at the date of closure of the financial statements that could be the cause of significant adjustment to the value of assets and liabilities in coming business years. The results achieved could differ from these estimates. The estimates and assumptions made are periodically revised and the effects of all changes are immediately reflected in the income statement.

- Estimates adopted to evaluate the impairment of non-financial assets

In order to measure any impairment of goodwill entered in the financial statements, the Group has adopted the method previously illustrated in the section on "Losses in value of non-financial assets".

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

- *Expected credit losses* (bad debts): the Company pays great attention to the management of trade receivables by implementing procedures tailored to the situations and needs of each territory and market segment; the goal remains to safeguard corporate assets by maintaining proximity to the customer that allows for timely credit management and strengthening the relationship with the customer. In light of this, the Management has made a prudential estimate of the Expected credit losses, which can be confirmed in the coming months on the basis of the collection activities undertaken to date.

- *Economic and financial plans*: the Company has reviewed the economic and financial and performance forecasts formalized in the 2022 Budget. In the same way, it has made forecasts reflected in the financial flows underlying the impairment test for the next three years. These forecasts may be further influenced in the coming months by the developments related to the evolution of the pandemic waves and the containment measures that will be adopted as well as the trend of the next tourist flows and the future recovery of market consumption.

- Estimates adopted in the actuarial calculation for the purpose of determining defined benefit plans as part of post-employment benefits:
  - The expected inflation rate is equal to 1.75%;
  - The discounting rate used is equal to 0.44%;
  - The annual rate of increase of the severance plan is expected to be equal to 2.8%;
  - A 6.5% turnover of employees is expected

- Estimates adopted in the actuarial calculation in order to determine the provision for supplementary clientele severance indemnity:
  - The rate of voluntary turnover is expected to be 13% for MARR S.p.A. and 5% for New Catering S.r.l.;
  - The rate of corporate turnover is expected to be 2% for MARR S.p.A. and 7% per New Catering S.r.l.;
  - The discounting rate used is 0.29%[VI].

- Estimates used in calculating deferred taxes
  A significant discretional assessment is required by the directors in order to determine the total amount of deferred tax assets to be accounted. They must estimate the probable occurrence in time and the total value of future fiscally chargeable profits.

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

With regard to climate change, it is the object of attention by the Company's Management which seeks to assess its risks and define strategies aimed at reducing the impact on the Group's operations, and at mitigating the effects of this activity on the same. . In particular, it is believed that the climate change underway and forecast for the next few years could have repercussions on aspects of the operational management of MARR. In fact, the rise in temperatures could have reflected on the costs of refrigeration and storage of products and on the supply chain. These aspects are constantly monitored and their impact is reflected in the estimates of the economic and financial forecasts. At the date of this report, there are no significant risks of adjusting the book values of assets and liabilities or uncertainties that influence the assumptions used to make the estimates, deriving from climate change.

[VI] Average performance curve deriving from the index IBOXX Eurozone Corporates AA with duration 5 -7 year at the valuation date

Capital management policy

As regards the management of capital, the Company's priority is to maintain an appropriate level of its equity in relation to debts accrued (Net debt/Equity or "gearing" ratio), so as to guarantee solidity in terms of equity and its adequacy to the management of cash flows.

Taking into account the fact that the financial requirements, because of the characteristics of the Company's core business, are calculated in terms of trade net working capital, the main indicator for cash flow management is summarily represented by the performance of the ratio between trade net working capital and revenues ("Trade NWC on total Revenues").
Still in relation to the seasonal nature characterising its business, the Company also monitors the performance of the single components of trade net working capital (trade receivables and payables and inventories) in terms of both absolute value and days of outstanding.
The management of capital is also measured in terms of the principal indicators of best financial practice such as: ROS, ROCE, ROE, Net debt/Equity and Net debt/EBITDA.

Financial risks Management

The financial risks to which the Company is exposed in the performance of its business activities are as follows:

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

MARR employs derivative financial instruments solely for the purpose of covering some non-functional currency exposures and part of the financial exposure with variable rate.

Market risk

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

(ii) Interest rate risk: the risks relating to changes in interest rates refer to loans. Long-term loans from banks are mostly at variable rates and expose the Group to the risk of changes in cash flows due to interest. Against this risk, the Parent Company has historically stipulated specifically correlated Interest Rate Swap contracts for partial or total hedging of some loans. Fixed rate loans expose the Group to the risk of changes in the fair value of the loans.
As for the use of other short-term credit lines, the attention of management is aimed at safeguarding and consolidating relations with credit institutions in order to stabilize the spread applied to the Euribor as much as possible.

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

Credit risk

The Group only deals with known and reliable customers. It is the Group's policy that customers requesting deferred payment conditions are subject to procedures for verifying their class of merit. In addition, the balance of receivables is monitored during the year so that the amount of non-performing positions is not significant.

The credit quality of unexpired financial assets that have not suffered impairment can be assessed by referring to the internal credit management procedure.

The customer monitoring activity is mainly divided into a preliminary phase, in which data and information on new customers are collected and a phase subsequent to activation, in which a credit is recognized and the evolution of the credit position.
The preliminary phase consists in finding the administrative / fiscal data essential to allow a complete and correct assessment of the risks that the new customer entails. Customer activation is subject to the completeness of the aforementioned data and approval, after any further investigation, by the Customer Office.

A credit line is recognized for each new customer: the concession is bound to further supplementary information (years of activity, payment conditions, customer name) which are essential for assessing the solvency level. Once the overall framework has been prepared, the documentation on the potential customer is submitted for approval by the various corporate bodies.

Starting from the beginning of 2020, the health emergency impacted our country and in 2021 it continued with the consequent adoption in some periods of the year of new restrictive measures that led to the blocking or in any case the reduction of our customers' activities with a consequent contraction in volumes and a restriction of the liquidity of the foodservice market, albeit to a much lower extent than in the previous year.
It is clear that in this context a targeted and adequate credit management becomes a fundamental priority that must be addressed to the reduction of credit risk in order to then be able to create the conditions to be able to serve and develop our Customer by addressing the our commercial activities. In this context, the skills, knowledge of the market and the territory by our Sales Technicians and Sales Management represent a fundamental value in the management and evaluation of Credit.
To this end, all MARR operating units have been given specific Guidelines for Credit Management with the aim in particular of:

- review the payment conditions in place;
- favor commercial development on customers currently served and whose credit reliability and commercial potential is already known;
- pay close attention to the activation of new customers by granting "short" payment conditions;
- manage requests for extension of previous exposure with monthly repayment plans (rescheduling the expired on the reference date on the basis of the extension) and reducing the payment conditions for current supplies;
- favor and encourage electronic payment methods.

As a corollary to all this, an "internal rating" assignment activity was started on the basis of specific criteria that take into account the reliability of the credit and the customer's commercial potential.
The Credit Procedure and Credit Management Guidelines make it possible to define those rules and operational mechanisms that guarantee to generate a flow of payments such as to guarantee the Group's solvency and the profitability of the relationship.

At the reference date of the financial statements, the maximum exposure to credit risk for each of the following categories of receivables was as shown below:

(€thousand)		Balance at 31.12.21	Balance at 31.12.20
Current trade receivables		300,961	280,125
Other non-current receivables		29,626	44,755
Other current receivables		49,828	38,648
	Total	380,415	363,528

As regards the comments on the categories, see note 10 for "Other non-current assets", note 13 for "Trade receivables" and note 16 "Other current assets". The value of trade receivables, other non-current assets and other current assets can be classified as "Level 3" financial assets, ie those in which the inputs are not based on observable market data.
The fair value of the above categories is not shown as the book value represents a reasonable approximation.
At 31 December 2021, overdue trade receivables, net of the provision for bad debts, amounted to 69,259 thousand Euros (an increase compared to 101,365 thousand Euros in 2020). The composition by maturity is as follows:

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Overdue:		
Less than 30 days	28,511	22,172
betweeen 31 and 60 days	10,454	21,506
betweeen 61 and 90 days	7,161	14,980
Over 90 days	64,904	84,582
	111,030	143,240
- Provision for write-down of receivables from customers	(41,771)	(41,875)
Total overdue trade receivables	69,259	101,365

Liquidity risk

The Group manages liquidity risk with a view to maintaining a level of liquidity adequate for operational management. The Group manages the liquidity risk, mainly through the constant monitoring of the centralized treasury of the collection and payment flows of all the companies. In particular, this makes it possible to monitor the flows of resources generated and absorbed by normal operating activities.
Given the dynamic nature of the sector, in order to cope with the ordinary management and seasonality of the business, the finding of liquidity is favored through the use of adequate credit lines.

For the management of resources absorbed by investment activities, preference is generally given to funding through specific long-term loans.

The following table shows the breakdown of financial liabilities and derivative financial liabilities on the basis of contractual expiry dates at the reference date of the financial statements. It is noted that the amounts shown do not reflect the book values in as much as they consider the future expected cash flows. Given the high volatility of the reference rates, the financial flows of variable rate loans have been estimated consistently with that already done in previous years, using a rate determined by the IRS at five years increased by the average spread applied to our medium and long-term loans.

(€thousand)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 december 2021				
Borrowings	117,224	95,062	27,771	102,049
Financial payables for leases (IFRS 16)	10,739	10,023	25,693	33,028
Derivative financial instruments	0	0	0	0
Trade and other payables	366,844	0	0	0
	494,807	105,085	53,464	135,077
At 31 december 2020				
Borrowings	182,165	96,520	137,310	844
Financial payables for leases (IFRS 16)	9,663	9,239	17,675	23,259
Derivative financial instruments	6	0	50	0
Trade and other payables	229,586	0	0	0
	421,420	105,759	155,035	24,103

As regards the changes to the long-term quota, see that already described in the Director's Report and in the following paragraphs 18 "Non-current financial liabilities" and 17 "Non-current lease liabilities (IFRS16)".

Classes of financial instruments

The following elements are recorded in the accounts in compliance with the accounting standards for financial instruments:

(€thousands)	31 December 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	750	0	0	750
Other non-current assets	29,626	0	0	29,626
Current financial receivables	11,697	0	0	11,697
Current derivative/financial instruments	0	0	0	0
Current trade receivables	300,961	0	0	300,961
Cash and cash equivalents	242,377	0	0	242,377
Other current receivables	49,828	0	0	49,828
Total	635,239	0	0	635,239
Liabilities as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current financial payables	219,330	0	0	219,330
Non-current lease liabilities (IFRS16)	60,102	0	0	60,102
Non-current derivative/financial instruments	0	0	0	0
Current financial payables	117,377	0	0	117,377
Current lease liabilities (IFRS16)	8,855	0	0	8,855
Current derivative financial instruments	0	0	0	0
Total	405,664	0	0	405,664

(€thousands)	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	44,755	0	0	44,755
Current financial receivables	7,785	0	0	7,785
Current derivative/financial instruments	0	0	0	0
Current trade receivables	280,125	0	0	280,125
Cash and cash equivalents	247,027	0	0	247,027
Other current receivables	38,648	0	0	38,648
Total	619,410	1,818	0	621,228
Liabilities as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current financial payables	231,066	0	0	231,066
Non-current lease liabilities (IFRS16)	43,879	0	0	43,879
Non-current derivative/financial instruments	0	50	0	50
Current financial payables	180,491	0	0	180,491
Current lease liabilities (IFRS16)	8,277	0	0	8,277
Current derivative financial instruments	0	6	0	6
Total	463,713	56	0	463,769

In compliance with that required by IFRS 13, we would point out that the derived financial instruments, constituted by contracts for the coverage of exchanges 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) [VIII]. Similarly, as regards the non-current financial debts, the recording at fair value of which is indicated in

paragraph 16 of these explanatory notes, 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 non-current and current assets, see that described in paragraphs 8 and 14 of these explanatory notes.

[VIII] 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 on the main items of the consolidated statement of financial position MARR S.p.A.

ASSETS

Non-current assets

1. Tangible assets and assets held for sale

The movements in the item in the year 2021 and in the period before are the following:

(€thousand)	Balance at 31.12.20	Purchases / other movements	Net decreases for disinvestments	Depreciation	Balance at 31.12.19
Land and buildings	42,763	(2,232)	(20)	(2,505)	47,520
Improvements on leased facilities	2,130	638	0	(271)	1,763
Plant and machinery	6,280	1,719	(9)	(2,106)	6,676
Industrial and business equipment	1,150	213	(16)	(211)	1,164
Other assets	2,675	1,032	(59)	(1,207)	2,909
Fixed assets under development and advances	15,592	9,723	0	0	5,869
Total tangible assets	70,590	11,093	(104)	(6,300)	65,901
Land and buildings	2,400	2,400	0	0	0
Total assets held for sale	2,400	2,400	0	0	0
Total	72,990	13,493	(104)	(6,300)	65,901

(€thousand)	Balance at 31.12.21	Purchases / other movements	Net decreases for disinvestments	Depreciation	Variation for merger	Balance at 31.12.20
Land and buildings	56,142	16,164	0	(2,785)	0	42,763
Improvements on leased facilities	2,281	518	0	(367)	0	2,130
Plant and machinery	7,692	3,460	0	(2,090)	42	6,280
Industrial and business equipment	1,291	369	0	(228)	0	1,150
Other assets	4,270	2,885	(69)	(1,278)	57	2,675
Fixed assets under development and advances	2,810	(12,782)	0	0	0	15,592
Total tangible assets	74,486	10,614	(69)	(6,748)	99	70,590
Land and buildings	0	0	(2,400)	0	0	2,400
Total assets held for sale	0	0	(2,400)	0	0	2,400
Total	74,486	10,614	(2,469)	(6,748)	99	72,990

The movement shown in the "variation for merger" column shows the net book value of the tangible fixed assets merged into MARR due to the merger by incorporation of the wholly owned company SiFrutta S.r.l.

The remaining main movements that affected tangible assets during the year 2021 were:

- the continuation of the works to complete the new headquarters located in the Municipality of Santarcangelo di Romagna. The head office came into operation in February 2021 and the investment in the half year mainly concerned the item "Land and buildings" for 1,087 thousand Euros and the item "Plants and Machinery" for 175 thousand Euros.
- the sale, which took place in May 2021 substantially at book value, of the property located in Santarcangelo di Romagna in Via dell'Acero 1/A where the head office was previously located. The transaction resulted in a decrease in the item "Assets held for sale" equal to 2,400 thousand Euros;
- the purchase of plant and machinery and industrial and commercial equipment for the new MARR Catania branch (for about 700 thousand Euros), operational since mid-March.

In addition, investments under construction in progress are recognized in relation to some operating branches, which are expected to come into operation in the near future.

For details relating to the handling of tangible fixed assets and assets intended for sale, please refer to what is set out in Annex 3.

Please refer to Annex 10 for details of the Land and Buildings owned by the Group as of 31 December 2021.

2. Right of use

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 31 December 2021, as provided by the new IFRS 16 in force since 1 January 2019.

The movement of this item in the year 2021 and in the previous year is as follows:

(€thousand)	Balance at 31.12.20	Purchases	Net decreases for divestments	Depreciation	Balance at 31.12.19
Land and buildings - Rights of use	49,401	15,395	(780)	(8,044)	42,830
Other assets - Rights of use	1,191	1,654	(4)	(509)	50
Total Rights of use	50,592	17,049	(784)	(8,553)	42,880

(€thousand)	Balance at 31.12.21	Purchases	Net decreases for divestments	Depreciation	Variation for merger	Balance at 31.12.20
Land and buildings - Rights of use	65,755	24,906	(10)	(8,607)	65	49,401
Other assets - Rights of use	521	43	(7)	(706)	0	1,191
Total Rights of use	66,276	24,949	(17)	(9,313)	65	50,592

The value indicated above is represented by n. 39 leases: n. 31 relating to the industrial buildings in which some branches of the Company are based and n. 8 contracts relating to other assets, mainly motor vehicles and internal means of transport. With reference to the movement shown, there is an increase in the right of use on buildings related to the extension of expiring lease agreements.

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

For a better understanding of the impacts, we also report the movement of the related financial liability as a whole generated by the application of IFRS16 (please refer to paragraphs 19 and 25 for further details).

Lease liabilities for right of use *(€thousand)*	Balance at 31.12.21	Payments	Other movements	Variation for merger	Balance at 31.12.20
Land and buildings	68,369	(7,458)	24,896	79	50,852
Other assets	588	(751)	35	0	1,304
Total	68,957	(8,209)	24,931	79	52,156

3. Goodwill

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Goodwill	138,232	137,086
Total Goodwill	138,232	137,086

The increase in the item compared to last December 31, 2021 is due to the merging into MARR of the previous goodwill accounted for in the intermediate company owned by SìFrutta S.r.l. which was merged by incorporation into the parent company on 30 September 2021.

At the end of each business year, the Group verifies the recoverability of the intangible assets with undefined lifetimes.

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

It should also be noted that, as already highlighted in the explanatory notes to past financial statements, management believes it correct to consider the individual subsidiaries as the smallest cash generating units.

In line with what was also done last year, at 31 December 2021 the Management assesses the return on investment and therefore the recoverability of the goodwill at the level of aggregation made up of MARR SpA and the subsidiary AS.CA SpA, based on the fact that , from 1 February 2020, the subsidiary AS.CA SpA it leased its company to the parent company MARR and therefore the activities were integrated into those of the MARR Bologna and MARR Romagna branches.

The estimate of the value in use of the group of CGUs for the purposes of the impairment test was based on the discounting of the cash flows of the group of CGUs, determined on the basis of the assumptions indicated below.

For the year 2022, the 2022 budget of the individual companies was used as the basis for calculation. The projections of the 2022 Budget approved by the Board of Directors on 15 December 2021 were made by assuming, in the absence of restrictions on foodservice activities and travel between regions and countries, a foodservice market projected to hang up during 2022 of the historical values of 2019. The forecast relating to sales and margins reflects the assumptions and elements assumed by the Management itself on the basis of its formulation, considered reasonable and considered the utmost prudence in relation to the current health emergency and the consequent restrictions on mobility imposed by individual governments.

For the years 2023 and 2024, from a prudential perspective, it was assumed for all operating companies to maintain the turnover of the year 2022.

The expected future cash flows, represented by the expected result of ordinary operations, to which the amortization and depreciation are added and the expected investments are deducted, include a normalized value ("terminal value") used to estimate future results beyond the time period explicitly considered relative to the period 2022-2024.
The terminal value was determined using a long-term growth rate ("g rate") of 0%, consistent with the assumption of maintaining flat growth in turnover, carried out from a prudential perspective. The investments were made with reference to the indications of the Management which, in planning the investments up to the year 2024, provided for a total outlay for the years from 2022 to 2024 of 160.2 million Euros, without considering the outlays for the emergence of new business combinations. Investments deriving from the renewal of any expiring lease agreements were also considered.

The expected future cash flows have been discounted at a weighted average cost of capital ("WACC") rate of 6.43% (6.52% in the previous year) which reflects the current market valuation of the time value of money. for the period considered and the specific risks of the country making up the individual CGU, in line with the methodology done last year. Below are the main assumptions underlying the calculation of the WACC:

- the risk-free rate adopted refers to the average yield of the last quarter of 10-year government bonds relating to the country in which the CGU operates;
- the beta coefficient was considered taking as reference the one proposed by Aswath Damodaran, officially recognized by the "best practice" for the analysis of financial data and indices;
- the tax rate used corresponds to the "fully operational" tax rate of the country that makes up the single CGU;
- finally, it was considered a risk premium..

In addition, it should be noted that IFRS 16 has an impact both on the book value of the net invested capital, which includes the net book value of the rights of use at the balance sheet date, and on the estimate of the 2022-2024 flows and in the terminal value, mainly due the higher operating cash flows resulting from the positive effect on the value of the Ebitda and the higher cash outflows for investments which also include the flows deriving from the renewal of lease contracts.

Although the assumptions on the macroeconomic context, the developments in the sector in which the Company operates, and the estimates of future cash flows are considered adequate and prudent, changes in the assumptions or circumstances, especially considering the particular historical moment and the economic impacts that the resurgence of the pandemic could generate on hotel and restaurant activities, may require a modification of the analysis illustrated above. Therefore, a sensitivity analysis was carried out both on the WACC and on the expected economic results, which evaluates the changes in the basic assumptions for each CGU, in order to determine any recoverable value. The results of the sensitivity analysis are reported in the table below.

In consideration of the above and on the basis of the impairment test carried out according to the principles and hypotheses analytically set out above and in the section "Main estimates adopted by management and discretionary valuations", the total goodwill value of 138,232 thousand Euros is fully recoverable.

Cash Generating Unit	Carrying amount 31.12.21	Change: Net Present Value Free Cash Flow - Carrying Value (absolute value and % incidence on Carrying Value)					
		WACC 6.43%		Sensitivity with WACC 7.00%		Sensitivity with WACC 6.43% and reduction of 10% of revenues in 2023 e 2024	
MARR S.p.A.	474,576	640,093	134.9%	576,270	121.4%	539,490	113.7%

Business combinations closed during the year

No business combinations were finalized during the year.

Business combinations closed after the end of the year

No business combinations were finalized after the end of the financial year.

4. Other intangible assets

Below are the movements of the item in 2021 and in the previous year:

(€thousand)	Balance at 31.12.20	Purchases/ other movements	Net decreases	Depreciation	Balance at 31.12.19
Patents	1,158	383	0	(422)	1,197
Concessions, licenses, trademarks and similar rights	12	0	0	(1)	13
Intangible assets under development and advances	1,246	78	0	0	1,168
Other intangible assets	0	0	0	0	0
Total Other intangible assets	2,416	461	0	(423)	2,378

(€thousand)	Balance at 31.12.21	Purchases/ other movements	Net decreases	Depreciation	Variation for merger	Balance at 31.12.20
Patents	1,430	707	0	(435)	1	1,158
Concessions, licenses, trademarks and similar rights	10	(1)	0	(1)	0	12
Intangible assets under development and advances	1,035	(211)	0	0	0	1,246
Other intangible assets	0	0	0	0	0	0
Total Other intangible assets	2,475	495	0	(436)	1	2,416

The increases are mainly related to new licenses, software and applications, partly entered into operation during the year, partly still in the implementation phase as of 31 December 2021 and therefore shown under the item "Intangible assets under development and advances" .

5. Equity investments evaluated using the Net Equity Method

(€thousand)		Balance at 31.12.21	Balance at 31.12.20
- Investment in subsidiaries			
Marr Foodservice Ibérica S.A.U.		401	400
As.ca S.p.A.		13,691	13,691
New Catering S.r.l.		7,439	7,439
Sì Frutta S.r.l.		0	757
Antonio Verrini S.r.l.		7,730	0
Chef S.r.l. unipersonale		356	0
	Total	29,617	22,287
- Investment in associated companies			
Jolanda De Colò		1,828	1,828
	Total	1,828	1,828
Total Investments in subsidiaries and associated companies		31,445	24,115

With reference to the movements that took place during the year, in this item it is noted that:
- on 1 st April 2021 was finalized the purchase of all the shares of Antonio Verrini S.r.l;
- on 1 st April 2021 was finalized the purchase of all the shares of Chef S.r.l. unipersonale;
- on 27 September 2021 was completed the merger by incorporation into the company MARR S.p.A.. of the wholly owned company SìFrutta S.r.l., with legal effects starting from 30 September 2021 and accounting and tax effects backdated to 1 st January 2021.

A list (Appendix 6) has been prepared showing for each subsidiary and associate company the information required by subsection 5 of art. 2427 of the Civil Code. This statement also includes the differences resulting between the values recorded in the financial statements and the corresponding fraction of shareholders' equity resulting from the last financial statements or draft financial statements of the holding company. It must be noted that the positive differences are attributable to the future profits of the holding companies, as described below:

- 3,837 thousand Euros attributable to the subsidiary AS.CA S.p.A. as MARR with the purchase of this company has further strengthened its presence in the Bologna area; it is recalled that with effect from 1 February 2020 MARR S.p.A. it has rented the entire company branch of the parent company and integrated its activities with those of the MARR Bologna and MARR Romagna branches;
- 1,124 thousand Euros attributable to the subsidiary Antonio Verrini Srl. The company operates 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 MARR branches in increasing the level of service, on the product categories that characterize it, in favor of customers. This company, in addition to its skills in terms of procurement, is able to enhance purchases also through its presence in the retail and wholesale channels, which are fundamental for product segmentation. Furthermore, its specialization in the Foodservice channel, which represents over half of Verrini's sales, can create important synergies in the MARR Group on offer, aimed in particular at Street Market customers in the territories of Piedmont, Liguria and Tuscany;
- 449 thousand Euros attributable to the subsidiary Chef S.r.l. Unipersonale, as MARR with the purchase of this company consolidates its operations in the seafood sector on the Romagna Riviera;
- 1,339 thousand Euros attributable to the associated company Jolanda de Colò SpA. We remind you that MARR purchased 34% of the shares of this company on November 13, 2019, thus entering into partnership with one of the main national operators in the premium segment (top of the range). MARR also signed with the company ABA S.r.l. of the Pessot - de Colò family, which holds 66% of Jolanda de Colò, an irrevocable agreement that assigns to MARR - starting from 31 March 2022 - the option to purchase a majority stake in Jolanda de Colò through a call option mechanism for MARR and a put option for ABA on the residual 33% of the share capital of Jolanda de Colò.

6. Equity investments in other companies

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
- Other companies		
Centro Agro-Al. Riminese S.p.A.	163	280
Conai - Cons. Naz. Imball. - Roma	1	1
Idroenergia Scrl	1	1
Banca Malatestiana Cr.Coop.vo	2	2
Consorzio Assindustria Energia	1	1
Caf dell'Industria dell'Em. Romagna S.p.A.	2	2
Veneto Banca S.c.ar.l.	0	8
Total Other companies	171	296

7. Non-current financial receivables

At 31 December 2021 this item amounted to 750 thousand Euros (1,070 thousand Euros as at December 31, 2020) and includes the portion beyond the year of interest-bearing financial receivables from commercial partner companies.

8. Financial instruments / derivatives

The amount of 1,818 thousand of Euros at 31 December 2020 represented the positive fair value of the Cross Currency Swap contracts entered into by the Company to hedge the risk of fluctuation of the dollar against the Euro, with reference to the private placement of bonds in US dollars concluded in July 2013.
On 23 July 2021, together with the repayment of the bond loan, the two associated Cross Currency Swap contracts were also extinguished.

9. Tax Assets / Liabilities for deferred taxes payable

As at December 31, 2021, this item amounted to a positive value of 161 thousand Euros (net liabilities of 328 thousand Euros as at 31 December 2019), classified in the assets under the item "Tax assets".

The following table shows the breakdown of the items:

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
On taxed provisions	12,138	11,990
On costs deductible in cash	242	100
On costs deductible in subsequent years	1,332	1,138
On other changes	0	500
Deferred tax assets	13,713	13,728
On goodwill amortisation reversal	(9,482)	(9,068)
On funds subject to suspended taxation	(404)	(404)
On leasing recalculation as per IAS 17	(449)	(449)
On actuarial calc. of severance provision fund	208	208
On fair value revaluation of land and buildings	(3,230)	(3,454)
On cash flow hedge	0	(42)
Others	(196)	(191)
Deferred tax liabilities	(13,552)	(13,400)
Deferred tax assets/(liabilities)	161	328

10. Other non-current assets

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Non-current trade receivables	7,666	15,700
Accrued income and prepaid expenses	3,463	3,952
Other non-current receivables	18,497	25,103
Total Other non-current assets	29,626	44,755

The "Non-current trade receivables", amounting to 7,665 thousand Euros (of which 1,000 thousand Euros was with an expiry date of over 5 years) mainly concern agreements and delays in payment defined with the customers. The increase is linked to the finalisation with customers of new re-entry plans as a result of the difficulties encountered by operators in the sector because of the Covid-19 pandemic and the restrictive measures adopted by the institutions.
The prepaid expenses are mainly linked to promotional contributions with clients of a multi-annual nature (the amount with expiry date over 5 years is assessed for some 1.442 thousand Euros). The item "Other non-current receivables" includes, in addition to receivables from State coffers for VAT on loss of clients of 5,095 thousand Euros, receivables from suppliers for 13,402 thousand Euros (18,711 thousand Euros as at December 31, 2020).

Current assets

11. Inventories

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Finished goods and goods for resale		
Foodstuffs	41,929	30,666
Meat	11,187	10,607
Fish products	118,125	82,709
Fruit and vegetable products	120	23
Hotel equipment	2,801	2,380
	174,162	126,385
provision for write-down of inventories: to be deducted	(1,368)	(1,368)
Goods in transit	16,796	5,239
Packing	3,067	2,608
Total Inventories	192,657	132,864

The inventories are not conditioned by obligations or other property rights restrictions.
As also highlighted in the report on operations, the value of inventories shows an increase of 59.8 million Euros compared to 31 December 2020, mainly due to the timing of the fishing campaigns and specific procurement policies mainly in the frozen fish product market.

The movements for the year are shown below:

(€thousand)	Balance at 31.12.21	Change of the year	Balance at 31.12.20
Finished goods and goods for resale	174,162	47,777	126,385
Goods in transit	16,796	11,557	5,239
Packing	3,067	459	2,608
	194,025	59,793	134,232
Provision for write-down of inventories	(1,368)	0	(1,368)
Total Inventories	192,657	59,793	132,864

12. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Financial receivables from Parent companies	5,788	5,794
Financial receivables from Subsidiaries	5,909	1,365
Receivables from loans granted to third parties	0	626
Total Current financial receivables	11,697	7,785

For details of the Financial receivables from subsidiaries and parent companies (all interest-bearing, with interest rates in line with market values), see Appendix 8 to these explanatory notes.

13. Current trade receivables

This item is composed of:

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Trade receivables from customers	339,871	319,081
Trade receivables from Parent companies	427	330
Trade receivables from Subsidiaries	2,433	2,589
Trade receivables from Associated companies	0	0
Total Current trade receivables	342,731	322,000
Provision for write-down of receivables from customers	(41,771)	(41,875)
Total current net receivables	300,960	280,125

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Trade receivables from customers	329,122	315,722
Receivables from Associated companies consolidated by the Cremonini Group	10,749	3,359
Receivables from Associated companies not consolidated by the Cremonini Group	0	0
Total current trade receivables from customers	339,871	319,081

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 41,771 thousand Euros, as highlighted in the table below.

The receivables "from subsidiaries" (428 thousand Euros), "from parent companies" (2,433 thousand Euros) and "from associated companies consolidated by the Cremonini Group" (10,749 thousand Euros) are analytically outlined, together with the corresponding payable items, in Appendix 8. These receivables are all of a commercial nature.

The item Receivables from customers is net of a plan for the sale of receivables on a continuing and without recourse basis as a result of the Contract initially signed in May 2014 and subsequently renewed in December 2018 for an additional period of 5 years.
As at 31 December 2021, the outstanding sold amounted to 59,998 thousand Euros (32,711 thousand Euros as at 31 December 2020), an increase compared to last year due to the increase in turnover.

Lastly, it must be noted that as at 31 December 2021, the payables to customers for end of year bonuses was classified in reduction of the trade assets rather than in the other payables.

Receivables in foreign currencies have been adjusted to the exchange rate valid on 31 December 2021.

At each reporting date, the receivables from customers are analysed to verify the existence of indicators of impairment. In performing this analysis, the Group assesses whether there are expected losses on receivables from customers throughout the duration of such receivables and takes into consideration its historical experience in terms of losses on receivables, grouped into similar classes, and corrected on the basis of factors specific to the nature of the Group receivables and the economic context. Receivables from customers are depreciated when there is no rational expectation they will be recovered and the depreciation is recognised in the income statement in the item "amortizations and depreciations".

In 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 31.12.21	Increases	Decreases	Other movements	Variation for merger	Balance at 31.12.20
- Tax-deductible provision	1,779	1,779	(1,753)	0	8	1,745
- Taxed provision	39,988	11,061	(11,263)	0	64	40,126
- Provision for default interest	4	0	0	0	0	4
Total Provision for write-down of Receivables from customers	41,771	12,840	(13,016)	0	72	41,875

14. Tax Receivables

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Ires/Irap tax advances /withholdings on interest	31	26
VAT carried forward	859	378
Tax credit	3,644	4,958
Irpeg litigation	25	25
Ires transferred to the Parent Company	11	11
Receivable for Ires	105	0
Other	1,533	291
Total Tax assets	6,208	5,689

As regards the movements of the year, the tax credit arisen during the year for a total of 3,652 thousand Euros and mainly identifiable as follows:
- 3,141 thousand Euros represented by residual tax credits ("holiday bonuses") transferred during the year mainly to the Parent Company by customers against the payment of their trade receivables, as part of a MARR strategy aimed at proximity to the customer in support to operators in the Italian tourist accommodation sector;
- 510 thousand Euros represented by the tax credit accrued by the Group on investments in capital goods pursuant to Law 160/2019 and Law 178/2020, and charged to the income statement on the basis of the useful life of the assets.

15. Cash and cash equivalents

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

With regard to the changes in the net financial position, refer to the cash flows statement of 2021.

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Cash and Cheques	6,291	3,563
Bank and postal accounts	236,086	243,464
Total Cash and cash equivalents	242,377	247,027

16. Other current assets

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Accrued income and prepaid expenses	642	584
Other receivables	49,186	38,064
Total Other current assets	49,828	38,648

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Prepaid expenses		
Leases on buildings and other assets	2	3
Maintenance fees	244	266
Commercial and advertising costs	1	1
Insurance costs/Administration services	10	20
Other prepaid expenses	385	294
Total Current accrued income and prepaid expenses	642	584

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Guarantee deposits	116	116
Other sundry receivables	3,609	1,375
Provision for write-down of receivables from others	(5,592)	(5,484)
Receivables from social security institutions	510	860
Receivables from agents	2,023	1,788
Receivables from employees	41	55
Receivables from insurance companies	537	787
Advances and deposits	370	590
Advances to suppliers and supplier credit balances	46,887	37,496
Advances to suppliers and supplier credit balances from Associates	685	481
Total Other current receivables	49,186	38,064

Receivables from foreign suppliers in foreign currencies have been adjusted, if necessary, to the exchange rate valid on 31 December 2021.

It must be noted that as at 31 December 2021, some of the receivables from suppliers, concerning end of year bonuses to be received, was classified in reduction of the trade liabilities.
The Provision for write-down of receivables from others refers to receivables relates to agents for 1,100 thousand Euros and for the remainder to receivables from suppliers. During the business year it showed the following changes:

(€thousand)	Balance at 31.12.21	Increases	Decreases	Other movements	Variation for merger	Balance at 31.12.20
- Provision for Receivables from Others	5,592	1,000	(892)	0	0	5,484
Total Provision for write-down of Receivables from others	5,592	1,000	(892)	0	0	5,484

Breakdown of receivables by geographical area

The breakdown of receivables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial receivables	749	2	0	751
Non current derivative/ financial instruments	0	0	0	0
Deferred tax assets	160	0	0	160
Other non-current assets	16,678	0	12,948	29,626
Financial receivables	11,697	0	0	11,697
Current derivative/ financial instruments	0	0	0	0
Trade receivables	277,750	17,195	6,016	300,961
Tax assets	5,919	289	0	6,208
Other current assets	27,767	1,434	20,627	49,828
Total receivables by geographical area	340,720	18,920	39,591	399,231

LIABILITIES

17. 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 December 31, 2021, amounting to 33,263 thousand Euros, is unchanged compared to the previous business year and 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 each.

Share premium reserve
As at December 31, 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 7,516 thousand Euros) set up following the first-time adoption of the international accounting standards and did not change during the year.

Extraordinary Reserve
The decrease in the Extraordinary Reserve as of 31 December 2021, equal to 23,283 thousand Euros, is attributable to the distribution of dividends approved by the Shareholders' Meeting of 6 September 2021.

Cash flow hedge reserve
This item amounted to a positive value of 134 thousand Euros as at 31 December 2020 and is linked to the stipulation of both foreign exchange hedging contracts put in place by the Parent Company to specifically hedge a loan in foreign currency, as well as trade payables deriving from purchases commodities in foreign currency and interest rate hedging contracts specifically hedging variable rate loan contracts.
The movement in the reserve is related to the closure during the year of the underlying exchange hedging contracts.

Stock option reserve
This reserve has not undergone any changes during the year since the repayment plan concluded in April 2007 and amounts to 1,475 thousand Euros.

IAS19 reserve
This reserve amounts to a negative value of 946 thousand Euros at 31 December 2021 and includes the value, net of the theoretical tax effect, of the actuarial losses and profits relating to the valuation of the severance indemnity as established by the amendments made to IAS 19 "Benefits for employees ", applicable to years starting from 1 January 2013. These profits / losses have been recognized, in accordance with the provisions of IFRS, in equity and their change during the year has been highlighted (as required by IAS 1 revised, applicable from 1 January 2009) in the statement of comprehensive consolidated income.

The related deferred tax liabilities have been accounted for on the reserves in tax suspension (reserve pursuant to Art. 55 of Presidential Decree 917/86 and 597/73), which amounted to 1,444 thousand Euros at 31 December 2021.

To complete the comments on the items comprising the Shareholders' Equity, the following must be noted:

(€thousands)	*at 31 December 2021*	Possible utilization	Available quota
Share Capital	33,263		
Reserves:			
Share premium reserve	63,348	A,B,C	63,348
Legal reserve	6,652	B	
Revaluation reserve	13	A,B,C	13
Shareholders contributions or capital account	36,496	A,B,C	36,496
Extraordinary reserve	147,177	A,B,C	147,177
Reserve for exercised stock options	1,475	-	
Cash-flow hedge reserve	0	-	
Reserve for transition to the Ias/Ifrs	7,516	-	
Reserve ex art. 55 (DPR 597-917)	1,444	A,B,C	1,444
Surplus for mergers	9,522	A,B,C	9,522
Reserve IAS19	(946)	-	
Total Reserves	272,696		
Profits carried over	30,287	A,B,C	

Notes:
A: for increase of share capital
B: for covering losses
C: for distribution to shareholders

Non-current liabilities

18. Non-current financial payables

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Payables to banks - non-current portion	119,488	204,254
Payables to other financial institutions - non-current portion	99,842	26,812
Total non-current financial payables	219,330	231,066

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Payables to banks (1-5 years)	119,488	203,412
Payables to banks (over 5 years)	0	842
Total payables to banks - Non-current portion	119,488	204,254

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Payables to other financial institutions (1-5 years)	(94)	26,812
Payables to other financisl institutions (over 5 years)	99,936	0
Total payables to other financial institutions - Non-current portion	99,842	26,812

The change in long-term payables to banks is due to the combined effect of the ordinary progress of the amortization plans and the transactions concluded during the year. In particular, the following should be noted:
- the early repayment on 31 July 2021 of the loan signed on 30 October 2019 with Caixa Bank S.A. for the amount of 25 million Euros;
- the signing on 22 September 2021 of a medium-term loan with Riviera Banca of 10 million Euros with an amortization plan of 36 months, 12 of which for pre-amortization;
- the early repayment on 30 September 2021 of the pooled loan with BNL and Cassa Depositi e Prestiti signed on 30 December 2020 for the amount of 80 million Euros.

At 31 December 2020 the value of payables to other lenders was equal to 26,812 thousand Euros and was represented entirely by the private bond placement in US dollars stipulated by the Parent Company in the month of July 2013 and maturing in 2023 (29,246 thousand Euros at 31 December 2019).
It is recalled that the loan was originally opened for a total value of 43 million dollars with an average coupon of around 5.1% and that specific contracts were in place to hedge the risk of fluctuations in the dollar against the euro. of Cross Currency Swap, for the effects of which reference should be made to paragraph 7 "Derivative financial instruments".
With regard to the movement of the financial debt component to other lenders, the following transactions occurred during the year:
- the early repayment on 23 July 2021 of the USPP bond loan signed in July 2013 for the amount of 25.3 million Euros in addition to the amount of 2.9 million Euros relating to the make whole clause for early repayment;
- the completion on 29 July 2021 of an unsecured bond loan (Senior Unsecured Notes) for 100 million Euros with a duration of 10 years.
As a result of the transactions described above, the item Other non-current payables went from 26,812 million Euros at 31 December 2020 to 99,842 million Euros at 31 December 2021.

Below is the breakdown of the medium and long-term portion of the payables to banks, including the interest rates applied:

Credit institutes	Interest rate	Expiry	Portion from 2 to 5 years	Portion beyond 5 years	Balance at 31.12.21
BNL	Fisso 0,75%	30/09/2023	29,992	0	29,992
Credito Valtellinese	Euribor 6m +0,75%	05/01/2024	3,773	0	3,773
Cassa di Risparmio di Ravenna	Euribor 3m +0,98%	16/05/2023	843	0	843
Rivierabanca	Euribor 6m +0,59%	04/01/2023	1,504	0	1,504
Banca Intesa SanPaolo Tranche A	Euribor 6m +0,58%	24/02/2023	3,999	0	3,999
Banca Intesa SanPaolo Tranche B	Euribor 6m +0,58%	24/02/2023	29,999	0	29,999
Credem	Euribor 3m +0,55%	04/03/2023	938	0	938
Crédit Agricole	Euribor 6m +0,90%	09/04/2026	5,844	0	5,844
UBI Banca	Euribor 3m +0,90%	20/05/2023	5,031	0	5,031
Rivierabanca	Fisso 0,65%	21/09/2024	9,995	0	9,995
Cassa Centale Banca in pool	Euribor 3m +0,55%	05/10/2024	20,044	0	20,044
Banca Popolare dell'Emilia Romagna	Euribor 6m +1,15%	25/10/2025	7,526	0	7,526
			119,488	0	119,488

It should be noted that as at 31 December 2021 there are no mortgage guarantees on the Group's properties.

The following table provides a detailed description of the financial covenants in place at the end of the half year and the related loans.

All financial covenants were complied with both at June 30, 2021 and at December 31, 2021.

Credit institutes	Due date	Residual value	Covenants			Reference Date	
			NFP/ Net Equity	NFP/ EBITDA	EBITDA/ Net financial charges	30 June	31 December
Pool BNP Paribas	30/06/2022	9,278	< 2.0	< 3.5	> 4.0	✔	✔
BNL	30/09/2023	29,973	=< 2.0	=< 3.0	>= 4.0	✔	✔
Credito Valtellinese	05/01/2024	6,273	=< 2.0	=< 3.5			✔
Intesa - Tranche A	24/02/2023	11,988	=< 2.0	=< 3.5	>= 4.0		✔
Intesa - Tranche B	24/02/2023	29,990	=< 2.0	=< 3.5	>= 4.0		✔
Crédit Agricole	09/04/2026	7,492	=< 2.0	=< 4.0			✔
Ubi Banca	20/05/2023	15,044	=< 2.0	=< 3.0			✔
Popolare dell'Emilia Romagna	25/10/2025	10,000	=< 2.0	=< 4.0			✔
		120,038					
PRICOA Private Placement bond	29/07/2031	99,819	=< 1.5	=< 3.5	>= 4.0	✔	✔
		99,819					

The book values compared with the relative fair values of non-current financial payables are:

	Book Value		Fair Value	
(€thousand)	2021	2020	2021	2020
Payables to banks - non-current portion	119,488	204,254	118,857	203,635
Payables to other financial institutions - non-current portion	99,842	26,812	99,617	26,188
	219,330	231,066	218,474	229,823

The difference between fair value and book value consists in the fact that the fair value is obtained by discounting the estimated future cash flows, while the book value is determined according to the amortized cost method.

19. Non-current lease liabilities (IFRS16)

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Financial payables for leases - Right of use (2-5 years)	30,570	23,347
Financial payables for leases - Right of use (over 5 years)	29,532	20,532
Total payables for leases - Right of use - Non-current portion	60,102	43,879

This item includes the financial payables relating mainly to the multi-annual lease contracts for the facilities in which some of the MARR distribution centres are based.
The liability has been recorded in compliance with that provided by the new IFRS16, effective as of 1 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%.

20. Financial Instrument / Derivatives

The amount at 31 December 2020, the amount of 49 thousand Euros, represented the fair value of the Interest Rate Swap contract stipulated in May 2019 with Unicredit

21. Employee benefits

This item includes the Staff Severance plan, for which changes during the period are as follows:

(€thousand)	
Opening balance at 31.12.20	*6,780*
initial change	40
payments of the period	(555)
provision for the period	48
other changes	172
Closing balance at 31.12.21	6,485

The applicable employment contract is that for companies operating in the "Tertiary, Distribution and Services" sector.
With reference to the significant actuarial hypotheses (as described in the paragraph entitled "Main estimates adopted by management and discretional assessments").

22. Provisions for non-current risks and charges

(€thousand)	Balance at 31.12.21	Allocations	Other movements	Uses	Variation for merger	Balance at 31.12.20
Provision for supplementary clients severance indemnity	4,565	200	0	(398)	0	4,763
Provision for specific risks	929	0	1	(121)	0	1,049
Total Provisions for non-current risks and charges	5,494	200	1	(519)	0	5,812

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.

The *Provision for specific risks* was allocated mainly to hedge probable liabilities linked to certain ongoing legal disputes and its decrease is linked to the definitions of some ongoing legal disputes.

With regard to the disputes pending with the Customs Agency (which arose in 2007 with the object of the payment of preferential customs duties on certain imports of fish products and for which, despite the Company's appeals being rejected, the courts of first instance have ascertained the absolute extraneousness of the same to the alleged irregularities, as they are attributable exclusively to their suppliers) with the sentence no. 110/2020 issued by the Regional Tax Commission of Tuscany on 19 April 2021, the judges of merit have expressed themselves in favor of Company, fully confirming the provisions of the Supreme Court of Cassation with the order number 15358/19 of 16/04/2019.

Potential liabilities
It is represented that on 05.03.2021 by the INPS office in Milan, on 1 April 2021 and 23 April 2021 by the INPS office in Bologna, the Company was notified, by reason of the solidarity constraint pursuant to art. 29 Legislative Decree 276/2003, three Inspection Assessment Minutes, relating to disputed omissions of contribution payments and / or undue compensation to be paid by a cooperative service company as a consortium of two service contracting companies that terminated their relationship with MARR during the course of the year 2019 and in April 2021. MARR, supported by the opinion of its consultants based also on the briefs presented and the first hearings, believes that it cannot cause significant economic damage to it.

23. Other non-current payables

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Accrued expensed and prepaid income	377	293
Others non current liabilities	2,149	1,560
Total other non-current payables	2,526	1,853

The item "other liabilities" is represented by security deposits paid by transporters.
The 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 expiry date over 5 years.

Current liabilities

24. Current financial payables

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Financial payables to subsidiaries	14,290	13,209
Payables to banks	98,213	166,630
Payables to other financial institutions	1,874	652
Payables for the purchase of quotas / shares / going conceme	3,000	0
Total Current financial payables	117,377	180,491

Current payables to banks:

(€thousand)		Balance at 31.12.21		Balance at 31.12.20
Current accounts		151		225
Loans/Advances		45,812		66,225
Loans:				
- Cassa di Risparmio di Ravenna	1,673		829	
- Crédit Agricole Cariparma	0		1,262	
- Unicredit	0		8,324	
- Cassa Centrale Banca	0		3,341	
- Cassa Centrale Banca	0		3,318	
- Credito Valtellinese	2,500		1,246	
- Bper	0		3,332	
- Ubi Banca	0		3,333	
- Iccrea	0		16,931	
- BNP Paribas	9,278		18,532	
- Credem	0		1,881	
- Mediobanca	0		7,766	
- Riviera Banca	2,995		1,494	
- CaixaBank	0		6,232	
- Banca Intesa San Paolo Tranche A	7,989		7,977	
- Credito Emiliano	3,750		2,810	
- Crédit Agricole	1,649		1,641	
- Ubi Banca	10,012		9,931	
- Cassa Centrale Pool	9,930		0	
- Bper	2,474		0	
		52,250		100,180
		98,213		166,630

For more details regarding the variation in mortgages and loans, see that outlined in the paragraph 16 "Non-current financial payables".

It should also be noted that the item "Loans/Advances" includes 5,743 thousand Euros for sbf advances, 7,500 thousand Euros for importing loans and 4,000 thousand Euros for advances on invoices, and 8,000 thousand for hot money loans, in addition to the 20,592 thousand Euros payables to Banca IMI due to the securitization operation started in 2014.

The book value of the short-term loans is reasonably in line with the fair value, as the impact of discounting back is not significant.

25. Current lease liabilities (IFRS16)

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Financial payables for leases - Right of use	8,855	8,277
Total Payables for leases - Current portion	8,855	8,277

This item includes the current financial payables relating mainly to the multi-annual lease contracts for the facilities in which some of the Company distribution centres are located.
As also mentioned in paragraph 19 with regard to the non-current portion of the lease liabilities, it must be noted that the liability has been recorded in compliance with that provided by the new IFRS16, effective as of 1 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%.

26. Financial instruments / derivatives

The amount as at 31 December 2020, equal to 6 thousand Euros, was refered to the forward transactions in foreign currency to hedge the underlying transactions for the purchase of goods undertaken by the Company. These transactions are accounted as hedging financial flows. As of December 31, 2021, there are no derivatives on purchases of goods in foreign currency.

27. Current tax liabilities

The breakdown of this item is as follows:

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Irap	1,132	20
Ires transferred to the Parent Company	11,397	0
Other taxes payable	211	262
Irpef for employees	729	629
Irpef for external assistants	271	101
Total Current taxes payable	13,740	1,012

This item relates to taxes payable of a determined and certain amount.
The change with respect to the previous year is mainly related to the IRES payable for the year as well as payables for personal income tax, the increase of which is a consequence of the lower use during the year of the social safety nets made available by the institutions.

Lastly, it should be noted that, as regards MARR S.p.A., the 2017 and following business years can still be verifiable by the fiscal authorities, by reason of the ordinary verification deadlines and excluding currently pending fiscal litigations.

28. Current trade liabilities

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Suppliers	331,229	219,271
Payables to Associated companies	0	0
Payables to Associated companies consolidated by the Cremonini Group	34,766	9,301
Payables to Subsidiaries	160	854
Trade payables to Parent Companies	689	160
Total Current trade liabilities	366,844	229,586

The trade liabilities mainly refer to payables for the purchase of goods for marketing and payables to Sales Agents. They also include "Payables to Associated Companies consolidated by the Cremonini Group" for 35,689 thousand Euros, "Payables to Subsidiaries" for 160 thousand Euros and "Trade Payables to Parent Companies" for 689 thousand Euros. The details and analysis of which are reported in the following Appendix 8.

It should be noted that as at December 31, 2021, part of the receivables form suppliers concerning end-of-year bonuses to be received was classified in reduction of the trade liabilities.

29. Other current liabilities

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Current accrued expenses and deferred income	107	161
Other payables	10,244	10,683
Total Other current liabilities	10,351	10,844

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Deferred income for interests from clients	27	112
Other deferred income	80	49
Total Current accrued expenses and deferred income	107	161

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Inps/Inail and Other social security institutions	1,551	1,405
Enasarco/ FIRR	896	744
Payables to personnel for emoluments	4,569	4,163
Accruals for emoluments to employees/directors	991	917
Advances from customers, customers credit balances	1,247	2,272
Payables to Directors	431	252
Other sundry payables	559	930
Total Other payables	10,244	10,683

The item "*Payables to personnel for emoluments*" and "*Accrual for remuneration of employees/directors*" includes current salaries not yet paid as at 31 December 2021 and allocations for leave accrued but not taken, with relevant charges.

It should be noted that as at December 31, 2021, the receivables form suppliers concerning end-of-year bonuses was classified in reduction of the trade liabilities rather than in the other payables.

Breakdown of payables by geographical area

The breakdown of payables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial payables	219,330	0	0	219,330
Non-current lease liabilities (IFRS16)	60,102	0	0	60,102
Non current derivative financial instruments	0	0	0	0
Employee benefits	6,485	0	0	6,485
Provisions for risks and charges	5,494	0	0	5,494
Deferred tax liabilities	0	0	0	0
Other non-current liabilities	2,526	0	0	2,526
Current financial payables	112,333	3,848	1,196	117,377
Current lease liabilities (IFRS16)	8,855	0	0	8,855
Current derivative financial instruments	0	0	0	0
Current tax liabilities	13,706	0	34	13,740
Current trade liabilities	311,413	47,541	7,890	366,844
Other current liabilities	10,322	24	5	10,351
Total payables by geographical area	750,566	51,413	9,125	811,104

Guarantees, securities and commitments

Guarantees (totalling 13,228 thousand Euros)
These refer to:

- guarantees issued on behalf of MARR S.p.A. in favor of third parties (equal to 13,188 thousand Euros) and are sureties given, at our request, by credit institutions to guarantee the correct and timely execution of tender and non-tender contracts, both annual and over-annual in duration;
- sureties given by MARR in favor of financial institutions in the interest of the subsidiaries. This item amounted, as of 31 December 2021, to a total of 40 thousand Euros and refers to the credit lines granted to Antonio Verrini S.r.l.

(€thousand)	Balance at 31.12.21	Balance at 31.12.20
Guarantees		
AS.CA S.p.A.	0	5,600
SiFrutta S.r.l.	0	1,950
Antonio Verrini S.r.l.	40	0
Total Guarantees	40	7,550

Collaterals
As described in the notes to the item "Non-current financial payables" and "Tangible assets", there are no collaterals on properties owned by the Company ongoing as at December 31, 2021.

Other risks and commitments
This item includes 12,088 thousand Euros referring to credit letters issued by certain credit institutes to guarantee obligations undertaken with our foreign suppliers.

Comments on the main items of the statement of profit or loss of MARR S.p.A.

30. Revenues

Revenues are composed of:

(€thousand)	31.12.2021	31.12.2020
- Net Revenues from sales of goods	1,345,549	1,022,243
- Revenues from services		
Advisory services to third parties	562	389
Manufacturing on behalf of third parties	23	60
Rent income (typical management)	32	85
Other services	150	1,193
Total	767	1,727
Total Revenues	**1,346,316**	**1,023,970**

As of 31 December 2021, revenues from sales and services had been affected by the severe limitations imposed on tourism and foodservice activities by the pandemic containment measures implemented in Italy starting from the end of February and still in progress. The current year, although characterized by a discontinuity of phases, has recorded a significant increase in sales, mainly concentrated in the summer months.
See that described in the Directors' Report for a more detailed analysis of the performance of revenues.

Revenues from the provision of services include revenues from group companies for consultancy and insurance assistance, technical consultancy, administrative staff management, administrative, legal, commercial assistance, processing, transport and porterage and revenues for charging transport and similar costs to customers. For details of revenues from Group companies, please refer to Annex 8 of these Commentary Notes.
It should be noted that the ongoing Russian-Ukrainian conflict will not have a direct effect on revenues.

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

(€thousand)	31.12.2021	31.12.2020
Italy	1,260,680	948,607
European Union	53,856	38,960
Extra-EU countries	31,780	36,403
Total	**1,346,316**	**1,023,970**

The breakdown of revenues for sales of goods by category of activity is as follows:

(€thousand)	31.12.2021	31.12.2020
Foodstuff	537,035	418,566
Meat	213,957	168,305
Seafood	547,628	408,695
Fruit and vegetables	51,232	33,680
Hotel equipment	6,924	3,740
Sias Division	304	770
Trade discounts / year-end bonuses	(11,531)	(11,513)
Total Revenues from sales of goods	**1,345,549**	**1,022,243**

Revenues have been obtained nationwide, including from the islands. The following is a list of the total of net sales (in million Euros) realised during 2021 by the headquarters in Rimini and by each individual peripheral unit (distribution centres and divisions):

(million Euros)	31.12.2021	31.12.2020
Branch: Marr Napoli	34	24
Branch: Marr Milano	61	45
Branch: Marr Roma	60	45
Branch: Marr Venezia	55	33
Branch: Marr Supercash&carry - Rimini	15	12
Branch: Marr Sardegna	58	40
Branch: Marr Romagna - Rimini	61	47
Emiliani Division - Rimini	247	195
Carnemilia Division - Bologna	3	4
Branch: Marr Sicilia	25	30
Branch: Marr Sanremo	16	12
Branch: Marr Elba	6	5
Branch: Marr Genova	20	14
Branch: Marr Dolomiti	10	8
Branch: Marr Puglia	40	27
Branch: Marr Polo ittico	39	33
Branch: Marr Torino	41	34
Branch: Marr Calabria	49	34
Branch: Marr Sfera	48	39
Branch: Marr Arco	17	14
Branch: Marr Toscana	43	30
Branch: Marr Urbe	43	31
Branch: Marr Hotel Division	6	3
Branch: Marr Catania	16	0
Branch: Marr Sifrutta	7	0
Branch: Marr FreshPoint	2	0
Branch: Marr Scapa	187	149
Branch: Marr Bologna	73	67
Branch: Marr Adriatico	65	49
Branch: Marr Lago Maggiore	11	9
Sias Division	0	1
Others (trade discounts / year-end bonuses)	(12)	(12)
Total Revenues from sales of goods	1,346	1,022

Lastly, it should be noted that there are no customers capable of generating a significant concentration of revenues (10% of total revenues).

31. Other revenues

The Other revenues are broken down as follows:

(€thousand)	31.12.2021	31.12.2020
Contributions from suppliers and others	30,761	19,018
Other sundry earnings	2,567	4,222
Revenues for accrued tax credits	68	50
Reimbursements for damages suffered	743	696
Reimbursement of expenses incurred	641	540
Recovery of legal fees	68	25
Capital gains on disposal of assets	20	49
Total Other revenues	34,868	24,600

The item "contributions from suppliers and others" mainly includes contributions obtained in various capacities from suppliers for the commercial promotion of their products to our customers; for an analysis of the trend, please refer to what has already been set out in the Directors' Report on management performance. Finally, it should be noted that part of the contribution from suppliers, relating to the contracts for the recognition of year-end bonuses, is exposed to a reduction in the cost of purchasing goods.

The item "Other miscellaneous" decreased mainly due to the recognition at 31 December 2020 of a non-recurring income related to the collection of a receivable made a loss in previous years as a result of insolvency proceedings (2,320 thousand of euro).

As regards the revenues from tax assets accrued, see that described in paragraph 14 "Tax assets".

32. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	31.12.2021	31.12.2020
Purchases of goods	1,142,611	813,272
Purchases of packages and packing material	4,164	3,122
Purchase of stationery and printed paper	672	544
Purchase of promotional and sales materials, and catalogues	100	134
Purchase of various materials	393	421
Fuel for industrial motor vehicles and cars	222	177
Total Purchase of goods for resale and consumables	1,148,162	817,670

With regard to the trend in the cost of purchasing goods intended for marketing, please refer to the Directors' Report and the related comment on the first margin.
As highlighted in the previous paragraph, the item "Purchases of goods" benefits, for 4,513 thousand Euros (3,769 thousand Euros in 2020), from the part of the contribution from suppliers identifiable as the year-end bonus.

33. Purchase of goods for resale and consumables

The item includes all expenses for employees, including holiday accruals and additional months, as well as related social security charges, in addition to the provision for severance indemnities and other contractually provided costs.

(€thousand)	31.12.2021	31.12.2020
Salaries and wages	22,476	19,123
Social security contributions	6,560	5,635
Staff Severance Provision	1,750	1,727
Other Costs	59	211
Total Personnel Costs	30,845	26,696

The increase compared to last year is the direct consequence of the increase in the volume of activity due to the different situation that characterized the year 2021 compared to the previous one. Last year, due to the contraction in sales, it was necessary to activate the labor law tools made available by the authorities to make operations as aligned as possible to the actual market trend and in this sense a number of hours of social safety nets were used. equal to about 370,000, there was also an intensification of the use of holidays and a lower recourse to overtime on the other. These shares had generated total savings of 7.4 million Euros from March until December 31, 2020.
The details of the Company's workforce are shown below, showing an increase of 27 units compared to 2020.

	Workers	Employees	Managers	Total
Employees as of 31.12.20	180	544	8	732
Net increases and decreases	*(2)*	*29*	*0*	*27*
Employees as of 31.12.21	178	573	8	759
Average number of employees as of 31.12.21	188.5	556.2	8.0	752.7

34. Amortizations, depreciations and provisions

(€thousand)	31.12.2021	31.12.2020
Depreciation of tangible assets	6,742	6,294
Amortization of intangible assets	436	423
Depreciation of right of use assets	9,313	8,553
Adjustment IAS to provision for supplementary clientele severance indemnity	200	625
Allocation of provision for risks and losses	0	75
Total Amortizations, depreciations and provisions	16,691	15,970

As regards the amortisations, see the movements shown in paragraphs 1, 2 and 4 concerning the fixed assets.
The increase is mainly related to the increase in the amortization of the right of use.

35. Losses due to impairment of financial assets

(€thousand)	31.12.2021	31.12.2020
Allocation of taxed provision for bad debts	12,061	17,055
Allocation of non-taxed provision for bad debts	1,779	1,745
Depreciation of investments in other companies	125	4
Total Losses due to impairment of financial asset	13,965	18,804

The decrease in the item is mainly related to a greater prudential provision made on 31 December 2020 in the face of the situation of uncertainty on the market related to the Covid-19 health emergency and the related containment measures.

As regards the provisions to the provisions, reference should be made to the changes set out in paragraphs 13 "Current trade receivables" and to what is stated regarding receivables in the paragraph "Credit risk".

36. Other operating costs

(€thousand)	31.12.2021	31.12.2020
Operating costs for services	174,042	136,412
Operating costs for leases and rentals	2,702	2,277
Operating costs for other operating charges	1,586	1,470
Total Other operating costs	178,330	140,159

(€thousand)	31.12.2021	31.12.2020
Sale expenses, distribution and logistic costs for our products	139,946	109,005
Energy consumption and utilities	13,345	8,422
Third-party production	2,991	3,051
Maintenance costs	4,650	4,521
Porterage and movement of goods	4,413	3,408
Advertising, promotion, exhibitions, sales (sundry items)	348	516
Directors' fees	744	662
Statutory auditors' fees	75	52
Insurance costs	981	940
Reimbursement of expenses, travels and sundry costs for personnel	381	256
General and other services	6,168	5,579
Total Operating costs for services	174,042	136,412

At the level of costs for services, it should be noted that the increase in the costs of moving and distributing products, energy consumption and utilities, porterage and goods handling is directly related to the increase in sales recorded in the current year compared to the previous impacted more significantly by the restrictive measures on foodservice activities for the containment of the Covid-19 pandemic.

For more details, please refer to what is indicated in the Directors' Report.

(€thousand)	31.12.2021	31.12.2020
Lease of industrial buildings	31	145
Discount Covid-19 for leases	0	(351)
Lease of processors and other personal property	51	68
Lease of industrial vehicles	0	3
Lease of going concern	2,500	2,292
Lease of cars	10	1
Lease of plant, machinery and equipment	0	15
Rentals and other charges paid on other personal property	110	104
Total Operating costs for leases and rentals	2,702	2,277

As regards the costs for the use of third party assets, it should be noted that the revenue of 351 thousand Euros as at 31 December 2020 referred to the reduction in rents agreed with the tenants following the Covid-19 health emergency and mainly concerned contracts leasing of the buildings where the MARR branches are located. In accordance with the provisions of the IFRS principle, the benefit deriving from these agreements was recognized as a reduction in operating costs.
Net of this effect, the cost of lease payments shown in the table, related to contracts expiring within twelve months and therefore not falling within the scope of IFRS16, is substantially in line with that of the previous year.

Finally, as regards the lease instalments, reference should be made to what is stated in the paragraph "Organization and logistics" of the Directors' Report on Operations, with the specification that the relative existing contracts are subject to Law 392/78 Chapter II (Lease agreements for use other than residential use).

(€thousand)	31.12.2021	31.12.2020
Other indirect taxes, duties and similar charges	635	628
Expenses for collection of debts	204	236
Other sundry charges	183	217
Capital losses on disposal of assets	189	29
IMU	293	302
Contributions and membership fees	82	58
Total Operating costs for other operating charges	1,586	1,470

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

37. Financial income and charges

(€thousand)	31.12.2021	31.12.2020
Financial charges	9,378	5,933
Financial income	(938)	(1,419)
Foreign exchange (gains)/losses	(672)	752
Total Financial income and charges	7,768	5,266

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

The detail of financial charges and income is as follows:

(€thousand)	31.12.2021	31.12.2020
Interest payable on other loans, bills discount, hot money, import	2,984	3,165
Interest payable on loans	2,909	3
Interest payable on discounted bills, advances, export	212	243
Interest payable - Right of use	1,696	1,300
Other financial interest and charges	1,514	1,164
Interest and Other financial charges for Parent Companies	5	8
Interest and Other financial charges for Subsidiaries	58	50
Total Financial charges	9,378	5,933

The item "Interest expense on mortgages" increased mainly due to the accounting 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 relating to the USPP bond loan signed in July 2013 and with an original maturity in July 2023.
Net of this non-recurring financial charge, the cost of financial management would have been substantially in line with the previous year.

(€thousand)	31.12.2021	31.12.2020
Other sundry financial income (interest from customers, etc)	776	1,284
Income interest from bank accounts	119	102
Other sundry financial income for Parent Companies	22	25
Other sundry financial income for Subsidiaries	21	8
Total Financial income	938	1,419

Other financial income is related to interest income from customers and suppliers for deferred payments.

38. Income/(loss) from holdings

This item is broken down as follows:

(€thousand)	31.12.2021	31.12.2020
Write off investments in subsidiaries	(9)	(672)
Total Income (charge) from associated companies	(9)	(672)

It must be noted that there was no distribution of dividends in 2021 by the subsidiaries, as it was decided to retain the 2020 profits.

39. Taxes

(€thousand)	31.12.2021	31.12.2020
Ires charge transferred to the Parent Company	11,397	0
Irap	2,679	770
Net Provision for deferred tax asset and liabilities	(896)	(1,638)
Previous years tax	(37)	(50)
Total taxes	13,143	(918)

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

(€thousand)			31.12.2021
Result before taxation			45,073
Theoretical tax rate			24.0%
Theoretical tax burden			10,818
Items in reconciliation	Taxable amounts		
IRAP			2,679
Car expenses deductible	349	24.0%	84
Various expenses and fines	284	24.0%	68
Non deductible taxes	432	24.0%	104
Fiscal benefits on super-depreciation	(548)	24.0%	(132)
10% deduction IRAP on IRES	(179)	24.0%	(43)
ACE	(1,775)	24.0%	(426)
Other	(37)	24.0%	(9)
Total current and deferred taxes			13,143
Effective tax rate			29.2%

40. Earnings per share

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

(€)	2021	2020
EPS base	0.48	(0.06)
EPS diluted	0.48	(0.06)

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

Business year result:

(€thousand)	31.12.2021	31.12.2020
Profit for the period	31,930	(4,100)
Profit used to determine basic and diluted earnings per share	31,930	(4,100)

Number of shares:

(number of shares)	31.12.2021	31.12.2020
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**

41. Other profits/losses

The value of the other profits / losses contained in the comprehensive income statement is made up of the effects generated and reversed in the period with reference to the following items:
- effective part of the operations of: entered into against the private placement of US dollar bonds stipulated in July 2013. Against the early repayment of the residual debt of the bond loan, the effect in the year was negative for 134 thousand Euros;
- actuarial losses relating to the valuation of the severance indemnity as established by the amendments made to IAS 19 "Employee benefits" for the amount of 176 thousand Euros.

These profits / losses have been recognized, in accordance with the provisions of IFRS, in equity and highlighted (as required by IAS 1 revised, applicable from January 1, 2009) in the statement of comprehensive consolidated income.

Net financial position [xx]

As regards the comments on the components of the net financial position and the indication of the debt and credit positions with related parties, see that described in the Directors' Report.

	(€thousand)	Note	31.12.21	31.12.20
A.	Cash		6,291	3,563
	Bank accounts		236,064	243,448
	Postal accounts		21	16
B.	Cash equivalent		236,085	243,464
C.	**Liquidity (A) + (B)**	15	**242,376**	**247,027**
	Current financial receivable due to Subsidiaries		5,909	1,365
	Current financial receivable due to Parent Company		5,787	5,794
	Others financial receivable		0	626
D.	**Current financial receivable**	12	**11,696**	**7,785**
E.	Current derivative/financial instruments	8	0	0
F.	Current Bank debt		(45,986)	(66,505)
G.	Current portion of non current debt		(52,227)	(100,125)
	Financial debt due to Parent Company		0	0
	Financial debt due to Subsidiaries		(14,290)	(13,209)
	Financial debt due to Related Companies		0	0
	Other financial debt		(4,873)	(659)
H.	Other current financial debt		(19,163)	(13,868)
I.	Current lease liabilities (IFRS16)	25	(8,855)	(8,277)
J.	**Current financial debt (F) + (G) + (H) + (I)**	24/25/26	**(126,231)**	**(188,775)**
K.	**Net current financial indebtedness (C) + (D) + (E) + (J)**		**127,841**	**66,037**
L.	Non current bank loans	18/20	(119,489)	(204,254)
M.	Non-current derivative/financial instruments	8	0	1,818
N.	Other non current loans	18/20	(99,842)	(26,861)
O.	Non-current lease liabilities (IFRS16)	19	(60,102)	(43,879)
P.	**Non current financial indebtedness (L) + (M) + (N) + (O)**	18/19/20	**(279,433)**	**(273,176)**
Q.	**Net financial indebtedness (K) + (P)**		**(151,592)**	**(207,139)**

[xx] The "Note" column indicates the reference to the item in the consolidated statement of financial position for the accurate reconciliation with same.

Events after the closing of the year

MARR has recently signed a binding framework agreement for the purchase of all the shares of a newly incorporated company: Frigor Carni S.r.l. All the activities of Frigor Carni S.a.s. have been conferred into it, except for the property that will be rented. The company is based in Montepaone Lido (Catanzaro) and operates in the marketing and distribution of food products to the food service.

Frigor Carni, founded more than 40 years ago by the Viscomi family, with over 13 million Euros in sales in 2021 (they were about 16 million in 2019, before the pandemic), about 800 customers served and 15 delivery vehicles, is the reference operator in Calabria and in particular in an area, the Ionian one, with a strong tourist vocation.
The company's commercial proposal is characterized by a significant specialization in the offer of fish products, aimed mainly at independent catering customers.

MARR, which already operates in the area from its branch of MARR Calabria in Spezzano Albanese (Cosenza), through the distribution unit of Frigor Carni, located in Montepaone Lido, strengthens its presence in the area, thus being able to raise the level of customer service and the offer of local products.

The transaction, whose closing is expected to take place next April 1, provides for a valuation of 4.8 million Euros (including tangible fixed assets) with partly deferred payment, as well as an earn-out subject to the achievement of specific objectives in 2023 and 2024. The management of Frigor Carni has also been confirmed in the persons of Messrs. Viscomi who will be entrusted with the operational and commercial management of the newly formed company.

The acquisition of Frigor Carni confirms MARR's role as market aggregator, which continues to strengthen its leadership both through a path of organic growth and targeted acquisitions, aimed at increasing service specialization.

Outlook

After the pandemic resurgence of December 2021 and January 2022, with the gradual improvement of health conditions in February, out-of-home food consumption has once again confirmed its reactivity, resuming the path of realignement with the pre-pandemic historical series.
In this context, the sales of the MARR Group in the first two months of 2022, up compared to 2021, showed in comparison with the pre-pandemic levels of 2019, a decline in January and a subsequent realignment in February.

The foodservice market is in any case impacted by inflationary dynamics that are generally affecting most of the commodities marketed by MARR and to which is added the increase in energy costs (accentuated by current international tensions) which makes its effects felt on conservation and distribution of products. Against this, the level of attention of the management remains strong to maintain a high level of customer service while keeping the management of operating costs under strict control.

Expectations out-of-home food consumption are for a normalization of consumption dynamics from the start of the next summer season, which MARR will face with a proximity to the customer and a presence in the market that have further strengthened since the beginning of the pandemic.

In this context, it should also be remembered that MARR has an organizational and distribution structure that is widespread throughout the national territory and is therefore able to guarantee an adequate level of service to all customers and in every area and activity in which food consumption is present. out-of-home, including those functional to public and health services, such as hospitals and facilities for the elderly.
Thanks to its consolidated leadership and its distribution network, MARR continues to concentrate its efforts in adapting the organizational measures and the management of the service that receive the appreciation of the Customers, who, with the support of this distribution system, can dedicate more their skills effectively in identifying areas for future development.

The Company pays great attention to the management of trade receivables and operating costs, which have always been characterized in MARR by a high incidence in the variables, with the aim of guaranteeing the continuity of quality, product and service. offered to the market, in order to help alleviate where possible the contingent difficulties of customers and allow MARR to be ready to return to full activity as soon as the current uncertainties are resolved.

Proposal for the allocation of the result for the year 2021 and distribution of the dividend

In submitting the financial statements for the year 2021 to the assembly for approval, the Board of Directors proposes to:

a) allocate the profit for the year of Euro 31,930,334 as follows:

- dividend of 0.47 Euros for each ordinary share with the right,
- allocation to the extraordinary reserve of the residual amount.

b) pay the dividend on May 25, 2022 with detachment of the coupon (No. 17) on May 23, 2022 (record date May 24, 2022), as regulated by Borsa Italiana.

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Rimini, 15 March 2022

For the Board of Directors

The Chairman

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 the main equity investments in subsidiary, associate and other companies as at 31 December 2021, indicating the criterion adopted for accounting.
- Appendix 2 – Table showing variations in Intangible Assets for the year ending 31 December 2021.
- Appendix 3 – Table showing variations in Tangible Assets for the year ending 31 December 2021.
- Appendix 4 – Table showing changes in the Right of use for the year ending 31 December 2021.
- Appendix 5 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2020. - Company that directly or mediated the activity of management and coordination.
- Appendix 6 – List of equity investments in subsidiary and associate companies as at 31 December 2021 (art. 2427, sub. 5 of the Civil Code)
- Appendix 7 – Information as per art. 149-duodecies of the Consob Issuers Regulation.
- Appendix 8 – Table summarising the relations with parent companies, subsidiaries, associates and other related parties.
- Appendix 9 – Reconciliation of liabilities deriving from financing activities as at 31 December 2021 and at 31 December 2020.
- Appendix 10 – Detail of lands and buildings owned by the Company as at 31 December 2021.

Appendix 1

MARR GROUP

LIST OF EQUITY INVESTMENTS INCLUDING THOSE FALLING WITHIN THE SCOPE OF CONSOLIDATION AT 31 DECEMBER 2021

Company	Headquarters	Share capital (€thousand)	Direct control Marr SpA	Indirect control Company	Indirect control Share held
COMPANY CONSOLIDATED ON A LINE-BY-LINE BASIS					
- Parent Company:					
MARR S.p.A.	Rimini	33,263			
- Subsidiaries:					
AS.CA. S.p.A.	Santarcangelo di R. (RN)	518	100.0%		
Marr Foodservice Iberica S.A.u	Madrid (Spagna)	600	100.0%		
New Catering S.r.l.	Santarcangelo di R. (RN)	34	100.0%		
Antonio Verrini S.r.l.	Santarcangelo di R. (RN)	250	100.0%		
Chef S.r.l. unipersonale	Santarcangelo di R. (RN)	100	100.0%		
INVESTMENTS EVALUATED USING THE NET EQUITY METHOD					
Jolanda De Colò S.p.A.	Palmanova (UD)	846	34.0%		
INVESTMENTS VALUED AT FAIR VALUE:					
- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	9,697	1.66%		

Appendix 2 – Table showing variations in Intangible Assets for the year ending 31 December 2021

Intangible fixed assets (in thousand of Euros)	Opening Balance			Changes during the year						Closing Balance		
	Original Cost	Provision for amortization	Balance 01/01/2021	Merger		Purchases/ reclassification	Other changes	Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2021
				Original cost	Prov. for am.							
Start-Up and expansion costs												
Cost of research, development and advertising												
Cost of industrial patents and rights for the use of intellectual property	7,165	(6,007)	1,158	1		707			(435)	7,873	(6,442)	1,431
Concessions, licences, brand names, and similar rights	172	(160)	12			(1)			(1)	171	(161)	10
Goodwill	137,086		137,086	1,146						138,232		138,232
Intangible fixed assets under development and advances	1,246		1,246			(211)				1,035		1,035
Other intangible fixed assets	70	(70)								70	(70)	
Total	**145,739**	**(6,237)**	**139,502**	**1,147**		**495**			**(436)**	**147,381**	**(6,673)**	**140,708**

Appendix 3 – Table showing variations in Tangible Assets for the year ending 31 December 2021

Tangible fixed assets (in thousand of Euros)	Opening balance			Changes during the year						Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2021	Merger		Purchases/ reclassification	Decreases Original cost	Decreases Prov. for am.	Amortization	Original Cost	Provision for amortization	Balance 31/12/2021
				Original cost	Prov. for am.							
Land and buildings	72,976	(30,213)	42,763			16,164			(2,785)	86,986	(30,844)	56,142
Improvements on leased facities	2,453	(323)	2,130			518			(367)	2,971	(690)	2,281
Plant and machinery	41,998	(35,718)	6,280	54	(12)	3,460	(304)	304	(2,090)	45,208	(37,516)	7,692
Industrial and commercial equipment	4,537	(3,387)	1,150			369	(3)	3	(228)	4,903	(3,612)	1,291
Other tangible assets	17,132	(14,457)	2,675	112	(55)	2,885	(2,218)	2,149	(1,278)	17,911	(13,641)	4,270
Tangible fixed assets under development and advances	15,592		15,592			(12,782)				2,810		2,810
Total tangible assets	**154,688**	**(84,098)**	**70,590**	**166**	**(67)**	**10,614**	**(2,525)**	**2,456**	**(6,748)**	**160,789**	**(86,303)**	**74,486**
Land and buildings	2,400		2,400				(4,554)	2,154				
Total assets held for sale	**2,400**		**2,400**				**(4,554)**	**2,154**				
Total	**157,088**	**(84,098)**	**72,990**	**166**	**(67)**	**10,614**	**(7,079)**	**4,610**	**(6,748)**	**160,789**	**(86,303)**	**74,486**

Appendix 4 – Table showing changes in the Right of use for the year ending 31 December 2021

Tangible fixed assets (in thousand of Euros)	Opening balance			Changes during the year						Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2021	Merger Original cost	Merger Prov. for am.	Purchases/ reclassification	Decreases Original cost	Decreases Prov. for am.	Amortization	Original Cost	Provision for amortization	Balance 31/12/2021
Right of use - Land and buildings	64,543	(15,142)	49,401	183	(118)	24,906	(238)	228	(8,607)	89,394	(23,639)	65,755
Right of use - Other assets	1,692	(500)	1,192			42	(56)	49	(706)	1,678	(1,157)	521
Total	**66,235**	**(15,642)**	**50,593**	**183**	**(118)**	**24,948**	**(294)**	**277**	**(9,313)**	**91,072**	**(24,796)**	**66,276**

Appendix 5

Main figures' Statement of the last Cremonini S.p.A. financial statements and consolidated financial statements - MARR S.p.A. parent company -				
Financial Statements as of December 31, 2020				
Cremonini S.p.A.		in thousands of Euros		Consolidated
		BALANCE SHEET		
		ASSETS		
82,676		Tangible assets		1,158,459
0		Right 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

The essential data for the parent company Cremonini S.p.A. contained in the summary report required by Civil Code article 2497-bis have been extracted from the relevant financial statements for the business year closed on 31 December 2020. For an adequate and full understanding of the Cremonini S.p.A. financial situation as at 31 December 2020, and the economic result achieved by the company during the business year closed on that date, refer to the financial statements which, supplemented by the audit company's report, is available in the forms and methods provided by the law.

Appendix 6 – List of equity investments in subsidiary and associate companies as at 31 December 2021

List of stockholdings in subsidiaries and associated companies as at December 31, 2021 (art. 2427 n.5 c.c.)
(€/thousands)

Company	Corporate Domicile	Capital Stock	Shareholder's equity		Net Profit (loss)		Percentage Held	Carrying Value (B)	Difference (B) - (A)	Last Financial Statements approved/ preliminary financial statements approved	Shareholders' equity pro-rata amount in accordance with art. 2426 n. 3 cc (C)	Difference (B) - (C)
			Total Amount	Pro-rata Amount (A)	Total Amount	Pro-rata Amount						
- In subsidiares:												
Marr Foodservice Iberica S.A.U.	Madrid (Spagna)	600	401	401	(5)	(5)	100.00%	401	0	31/12/2021	401	0
AS.CA. S.p.a.	Santarcangelo di R.(RN)	518	9,854	9,854	1,596	1,596	100.00%	13,691	3,837 *	31/12/2021	20,032	(6,341)
New Catering S.r.l.	Santarcangelo di R.(RN)	34	10,302	10,302	710	710	100.00%	7,439	(2,863)	31/12/2021	14,535	(7,096)
Antonio Verrini S.r.l.	Santarcangelo di R.(RN)	250	6,606	6,606	866	866	100.00%	7,730	1,124 *	31/12/2021	8,781	(1,051)
Chef S.r.l. unipersonale	Santarcangelo di R.(RN)	100	(93)	(93)	(249)	(249)	100.00%	356	449 *	31/12/2021	54	302
Jolanda De Colò S.p.A.	Palmanova (UD)	846	1,439	489	(199)	(68)	34.00%	1,828	1,339 *	31/12/2021	489	1,339

* See comment in the note to the financial statements

Appendix 7

The following table, drawn up in accordance with art. 149-duodecies of the Consob Issuers Regulation, shows the fees pertinent to business year 2021 for services rendered to the Company by Auditing Firms or entities belonging to the auditing firms' network:

(€thousands)	Service Company	Client	Fees pertinent to business year 2021
Auditing	PricewaterhouseCoopers S.p.A.	MARR S.p.A.	153
Certification service			0
Other services	PricewaterhouseCoopers Business Services S.r.l.	MARR S.p.A.	8
Total			161

Appendix 8 – Table summarising the relations with parent companies, subsidiaries, associates and other related parties

COMPANY	FINANCIAL RELATIONS						ECONOMIC RELATIONS								
	RECEIVABLES			PAYABLES			REVENUES				COSTS				
	Trade	Other*	Financial	Trade	Other*	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Parent Companies:															
Cremonini S.p.A. (*)	2,433	11	5,787	689	11,397		9			22		1,219			5
Total	2,433	11	5,787	689	11,397	0	9	0	0	22	0	1,219	0	0	5
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							7								
Total	0	0	0	0	0	0	7	0	0	0	0	0	0	0	0
From Affiliated Companies(**)															
Cremonini Group															
C&P S.r.l.	267						628								
Castelfrigo S.r.l.		5		41					5		102				
Chef Express S.p.A.	1,286						4,804		(7)			11			
Fiorani & C. S.p.a.		421		2,369			16		450		20,237				
Global Service S.r.l.		6		379								1,161			
Guardamiglio S.r.l.	8						32								
Inalca Food and Beverage S.r.l.	942			2	2		7,884	154	1		7	2			
Inalca S.p.a.		78		31,527			24		1,277		103,146	8			
Italia Alimentari S.p.a.		161		447			6		199		4,675				
Roadhouse Grill Roma S.r.l.	687						2,424								
Roadhouse S.p.A.	7,560				4		23,860	15				1			1
From not Affiliated Companies															
Le Cupole S.r.l.						3,537									112
Time Vending S.r.l.		20							20						
Total	10,750	691	0	34,765	6	3,537	39,678	169	1,945	0	128,167	1,183	0	0	113

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

COMPANY	Receivables Trade	Receivables Other*	Receivables Financial	Payables Trade	Payables Other*	Payables Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Affiliated Companies															
Antonio Verrini S.r.l.	98		4,314	20			1,438	91		18	193				
Asca S.p.a.	11			8		8,273		21					2,500		32
Chef S.r.l.	78		1,596	1			1,171	14		3	11				
Marr Foodservice Iberica S.a.U.				120		275									1
New Catering S.r.l.	240			12		5,742	648	310	6		13	94			25
Total	427	0	5,910	161	0	14,290	3,257	436	6	21	217	94	2,500	0	58

COMPANY	Receivables Trade	Receivables Other*	Receivables Financial	Payables Trade	Payables Other*	Payables Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Oter Related Parties															
Members of top management team					431							740			
Total	0	0	0	0	431	0	0	0	0	0	0	740	0	0	0

Appendix 9 – Reconciliation of liabilities deriving from financing activities as at 31 December 2021 and at 31 December 2020

	31 December 2021	Cash flows	Non-financial changes: Other changes/ reclassifications	Non-financial changes: Acquisition and margers	Non-financial changes: Exchange rates variations	Non-financial changes: Fair value variation	31 December 2020
Current payables to bank	45,986	(20,697)	0	178	0	0	66,505
Current portion of non-current debt	52,227	(170,488)	122,590	0	0	0	100,125
Current financial payables vs subsidiaries	14,290	1,081	0	0	0	0	13,209
Current financial payables for bond private placement in US dollars	0	(28,860)	27,387	0	876	0	597
Current financial payables for bond private placement in Euros	675	0	675	0	0	0	0
Current financial payables fot IFRS 16 lease contracts	8,855	(8,209)	8,708	79	0	0	8,277
Current financial payables for leasing contracts	0	(56)	0	0	0	0	56
Current financial payables for purchase of quotas or shares	3,000	(4,930)	0	7,930	0	0	0
Total current financial payables	125,033	(232,159)	159,360	8,187	876	0	188,769
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	119,489	37,581	(122,346)	0	0	0	204,254
Non-current financial payables for bond private placement in US dollars	0	0	(26,811)	0	0	0	26,811
Non-current financial payables for bond private placement in Euros	99,842	100,000	(158)	0	0	0	0
Non-current financial payables fot IFRS 16 lease contracts	60,102	0	16,223	0	0	0	43,879
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	279,433	137,581	(133,092)	0	0	0	274,944
Non-current payables/(receivables) for hedging financial instruments	0	(50)	0	0	0	0	50
Total non-current financial instruments	0	(50)	0	0	0	0	50
Total liabilities arising from financial activities	404,466	(94,634)	26,268	8,187	876	0	463,769

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	(89,704)
Other changes/ reclassifications, included the acquisition	27,466
Exchange rates variations	876
Fair value variation	0
Total detailed variations in the table	(61,362)
Other changes in financial liabilities	(19,893)
Net change in financial payables (IFRS16)	16,801
New non-current loans received	230,000
Net change in derivative/financial instruments	(56)
Non current loans repayment	(288,214)
Total changes shown between financing activities in the Cash Flows Statement	(61,362)

	31/12/2020	Flussi di cassa	Altre variazioni / riclassifiche	Variazioni non monetarie			31/12/2019
				Acquisizioni	Variazioni nei tassi di cambio	Variazioni nel fair value	
Debiti bancari correnti	66.505	32.668	0	0	0	0	33.837
Parte corrente dell'indebitamento finanziario non corrente	100.125	(62.416)	32.465	0	0	0	130.076
Debiti finanziari verso controllate	13.209	10.493	0	0	0	0	2.716
Debiti finanziari correnti per Private Placement Obbligazionario in USD	597	(8.483)	654	0	(1.233)	0	9.659
Debiti finanziari correnti per contratti leasing IFRS 16	8.277	(7.943)	8.621	0	0	0	7.599
Debiti finanziari correnti per contratti leasing finanziario	56	(271)	56	0	0	0	271
Debiti correnti per acquisto quote partecipazioni	0	(800)	0	800	0	0	0
Totale debiti finanziari correnti	188.769	(36.752)	41.796	800	(1.233)	0	184.158
Debiti finanziari correnti per strumenti finanziari derivati di copertura	6	(72)	0	0	0	6	72
Totale strumenti finanziari correnti	6	(72)	0	0	0	6	72
Debiti bancari non correnti	204.254	99.261	(32.498)	0	0	0	137.491
Debiti finanziari non correnti per Private Placement Obbligazionario in USD	26.811	0	47	0	(2.482)	0	29.246
Debiti finanziari non correnti per contratti leasing IFRS 16	43.879	0	7.644	0	0	0	36.235
Debiti finanziari non correnti per contratti leasing finanziario	0	0	(56)	0	0	0	56
Debiti non correnti per acquisto quote partecipazioni	0	0	0	0	0	0	0
Totale debiti finanziari non correnti	274.944	99.261	(24.863)	0	(2.482)	0	203.028
Debiti finanziari non correnti per strumenti finanziari derivati di copertura	50	(66)	0	0	0	50	66
Totale strumenti finanziari non correnti	50	(66)	0	0	0	50	66
Totale passività derivanti da attività di finanziamento	**463.769**	**62.371**	**16.933**	**800**	**(3.715)**	**56**	**387.324**

Riconciliazione delle variazioni con il Rendiconto finanziario (metodo indiretto)	
Flussi di cassa al netto dei flussi finanziari per acquisizioni di controllate e rami d'azienda	63.171
Altre variazioni / riclassifiche, incluse le acquisizioni	16.933
Variazioni nei tassi di cambio	(3.715)
Variazioni nel fair value	56
Totale variazioni dettagliate in tabella	**76.445**
Altre variazioni dei debiti finanziari	39.028
Variazione netta debiti finanziari (IFRS16)	8.322
Accensione di nuovi finanziamenti/nuove erogazioni a medio/lungo termine	122.500
Variazione netta di debiti finanziari per derivati	(82)
Rimborso/estinzione di finanziamenti/mutui a medio/lungo termine	(93.323)
Totale variazioni indicate nel Rendiconto Finanziario fra le attività di finanziamento	**76.445**

Appendix 10 - Detail of lands and buildings owned by the Company as at 31 December 2021*

(Values in thousand Euros)

	Original Cost	Prov. For Am.	Net Book Value
Building in Spezzano Albanese (CS) - St.Prov.le 19	1,888	917	971
Land in Spezzano Albanese close to the building	125	0	125
Building in Pistoia (PT) - St F.Toni loc.Bottegone	5,318	2,365	2,953
Land of Building in Pistoia	1,000	0	1,000
Building in Santarcangelo of Romagna (RN) - St. P.Tosi 1300	14,504	398	14,106
Building in Santarcangelo of Romagna (RN)- St. dell'Acero 2-4	5,319	2,827	2,492
Land of Building St. dell'Acero 2-4	2,464	0	2,464
Building in Opera (MI) - St. Cesare Pavese, 10	4,459	2,597	1,862
Land of Building Opera	2,800	0	2,800
Building in San Michele al Tagl.to (VE) - St. Plerote, 6	4,229	2,275	1,954
Land of Building San Michele	1,100	0	1,100
Building in Uta (CA) - Zona ind.le Macchiareddu	4,078	2,059	2,019
Land of Building Uta	1,531	0	1,531
Building in Portoferraio (LI) - Località Antiche Saline	1,502	877	626
Land of Building Portoferraio	990	0	990
Surface ownership Building in Bologna - St. Fantoni, 31	11,857	3,767	8,090
Land in Rimini loc. San Vito - St. Emilia Vecchia, 75	7,078	0	7,078
Land in Bottanuco (BG)	1,491	0	1,491
TOTAL	71,733	18,082	53,651

* The value given in the table represents only the land and buildings owned and does not consider the values of the enhancements to the buildings leased and minor construction, both classified under "Land and buildings".

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

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

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

   of the management and accounting procedures for the drafting of the annual financial statements during the year 2021.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the annual financial statement as at 31 December 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:

   3.1 The annual financial statements:

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

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

   c) are suited to providing a truthful and correct representation of the equity, economic and financial situation of the author.

   3.2 The Directors' report on management includes a reliable analysis of performance levels and the management result, and also on the situation of the issuer, together with a description of the main risks and uncertainties it is exposed to.

Rimini, 15 March 2022

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

Independent auditor's report

in accordance with article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

To the Shareholders of MARR SpA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MARR SpA (hereinafter also the "Company"), which comprise the statement of financial position as of 31 December 2021, the statement of profit and loss, statement of other comprehensive income, statement of changes in shareholders' equity, cash flows statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of MARR SpA as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree no. 38/2005.

Basis for opinion

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

Key audit matters

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

Key audit matters	*Auditing procedures performed in response to key audit matters*
Recoverability of goodwill	***Auditing procedures performed***
The accounting policies applied to goodwill are described in the section titled 'Accounting policies', paragraphs 'Goodwill and other intangible assets' and 'Losses in value of non-financial assets' and in the section titled 'Main estimates adopted by management and discretional assessments', paragraph 'Estimates and hypotheses used', of the notes to the consolidated financial statements. The balance of goodwill in the financial statements as of 31 December 2021 is equal to Euro 138 million approximately. We identified this as a key audit matter in consideration of the materiality of the amounts involved and the fact that the measurement process involves a high degree of judgement by management of MARR SpA in estimating the future cash flows related to the recoverability of goodwill and the assumptions applied in the calculation models. With regard to the year ended 31 December 2021, management tested goodwill for impairment using the following approach: • they determined the recoverable amount of goodwill calculating the value if use of each cash generating unit ("CGU"), applying the discounted cash flow method; • the model used explicit cash flows over a three-year horizon and applied a terminal value to the last explicit year of the projection; • the cash flows of each CGU were discounted at the weighted average cost of capital ("WACC"); • the recoverability of the amounts recognised was verified comparing he recoverable amount of each CGU to which goodwill has been allocated with the relevant value in use; • furthermore, management carried out a sensitivity analysis to assess the impact of	We obtained an understanding of the procedure used to estimate possible impairment losses approved by the Company's Board of Directors. We assessed the appropriateness of the CGUs used to allocate goodwill and their consistency with the Company's organisation structure, with internal decision-making processes and with management reporting. We assessed the method of development of the cash flow projections used to calculate value in use, the method of application of the mathematical model of discounted cash flows and the reasonableness of the calculation of WACC, with the support of our business valuation experts. Moreover, we verified the mathematical accuracy of the calculations and whether the information used matched the relevant data bases. We inquired of and discussed with management the possible need to adjust the cash flows in order to isolate the components that are not attributable to the assets in their present conditions. We carried out analyses of the projections used for the impairment test exercise. We also carried out a retrospective analysis, comparing the estimates made in previous years with the actual figures for 2021 (still affected by the adverse impact of the Covid-19 pandemic), so as to validate management's ability in developing reliable estimates. Finally, we verified the accuracy and completeness of disclosures provided in note 3 'Goodwill' of the notes to the financial statements as of 31 December 2021.

changes in the relevant assumptions on the recoverable amounts of the assets.	
Recoverability of trade receivables *The accounting policies applied to trade receivables are illustrated in the section titled 'Accounting policies', paragraph 'Receivables and other financial assets' and in the section titled 'Main estimates adopted by management and discretional assessments', paragraph 'Estimates and hypotheses used', of the notes to the consolidated financial statements.* The balance of trade receivables as of 31 December 2021 is equal to Euro 301 million approximately. We identified this as a key audit matter in consideration of the materiality of the amounts involved and the fact that the measurement process involves a high degree of judgement by the management in estimating the recoverability of receivables, specifically the assumptions applied in the calculation models used to determine the estimated future cash flows from collection of those receivables.	***Auditing procedures performed*** We carried out specific analyses to understand and evaluate relevant controls implemented by the Company on the 'Trade receivables' area, to assess the adequacy of their design. We obtained an ageing list of debtors, validating the related data base, to identify any significant overdue debtor positions, which we analysed and discussed with management, to obtain evidence supporting the estimates of coverage of insolvency risk. We also sent confirmation requests to the law firms that manage procedures relating to accounts in litigation, verifying the consistency of the evaluations made by the external professionals with the measurement of the debtor positions in the financial statements. We carried out a retrospective analysis, comparing the estimates made in previous years with the actual collection figures for 2021 (still affected by the adverse impact of the Covid-19 pandemic), so as to validate management's ability in determining the estimated future cash flows from collection of trade receivables. Finally, we verified the accuracy and completeness of disclosures provided in note 13 - 'Current trade receivables' and note 35 - 'Losses due to impairment of financial assets' included in the notes to the financial statements as of 31 December 2021.

Responsibilities of the Directors and those charged with governance ("Collegio Sindacale") for the financial statements

The Directors of MARR SpA are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree no. 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance *("Collegio Sindacale")* of MARR SpA are responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- we identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Additional disclosures required by article 10 of Regulation (EU) no. 537/2014

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

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) no. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

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

Report on compliance with other laws and regulations

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

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

We have performed the procedures specified in auditing standard (SA Italy) no. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with article 14, paragraph 2, letter e) of Legislative Decree no. 39/2010 and article 123-bis, paragraph 4 of Legislative Decree no. 58/1998

The Directors of MARR SpA are responsible for preparing a report on operations (a single report for the separate and the consolidated financial statements) and a report on the corporate governance and ownership structure of MARR SpA as of 31 December 2021, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italy) no. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree no. 58/1998, with the financial statements of MARR SpA as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of MARR SpA as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e) of Legislative Decree no. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Bologna, 30 March 2022

PricewaterhouseCoopers SpA

signed by

Gianni Bendandi
(Partner)

"This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian is authoritative. Reference in this report to the financial statements refer to the financial statements in original Italian and not to any their translation."

MARR S.p.A.

“Report on the 2021 Financial Statements by the Board of Statutory Auditors to the Shareholders’ Meeting of MARR S.p.A. pursuant to art. 153 of Legislative Decree 58/1998 (TUF) and art. 2429 of the Civil Code”

Dear Shareholders,

This Report focuses on the supervisory activities carried out by the Board of Statutory Auditors of MARR S.p.A. during the course of the 2021 business year, prepared pursuant to Legislative Decree 58/1998 (“*TUF*”) as subsequently amended, art 2429 of the Civil Code, the Code of Conduct for the Boards of Statutory Auditors of listed companies issued by the National Board of Chartered Accountants and Auditors, consistently with the instructions given in Consob Communication no. DEM/1025564 of 6 April 2001 and subsequent integrations.

1. Appointment of the Board of Statutory Auditors

The Board of Statutory Auditors in office was appointed by the Shareholders’ Meeting on 28 April 2020 on the basis of the provision of the laws and the Company by-laws and its term of office will end in the Shareholders’ Meeting for the approval of the financial statements for 2022.

2. Verification of the independence requirements of the Board of Statutory Auditors

On 15 March 2022, the Board of Statutory Auditors of the Company successfully performed the annual verification of the possession by all of the members of the independence and professionalism requirements provided by article 148, paragraph 3 of Legislative Decree 58/1998 (TUF), TUF and also by recommendation no. 9 in art. 2 of the Code of Corporate Governance for Listed Companies, approved by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., the business associations (ABI, Ania, Assonime and Confindustria) and professional investors (Assogestioni) concerning the independence of the auditors of listed companies, also on the basis of the certifications and information provided by each auditor.

Lastly, today, the Board of Auditors, consistently with Regulation Q.1.1. of the “*Rules of conduct for the Boards of Statutory Auditors of listed companies*” of the National Board of Chartered Accountants and Auditors (April 2018 version), performed a self-evaluation of the Board and prepared a specific document which will be sent to the Company. The outcomes of said activities are kept in the records of the Board.

3. **<u>Supervisory activities carried out and information received</u>**

During the course of the year, the Board of Statutory Auditors carried out the supervisory activities reserved for it in respect of the aforementioned article 149 of Legislative Decree 58/1998 (TUF), the "*Code of Conduct for the Boards of Statutory Auditors of Listed Companies*" issued by the National Board of Chartered Accountants and Auditors concerning company audits and the activities of the Board of Statutory Auditors and the instructions given in the 2018 Code of Self-Governance in force since 2021.

The 2021 business year was once again marked by the health emergency caused by the COVID-19 pandemic although there were encouraging signs of a return to normality during the third and fourth quarters, after the first and second quarters were again affected by the government restrictions.

Despite the continuing health emergency, the Company continued to adopt organizational measures to ensure the continuation of management and logistical activities to guarantee business continuity for all its clients, through its own nationwide distribution network, in full respect and protection of the health of its own collaborators, with which it also stipulated an appropriate insurance policy.

Despite the fact that the significant impacts on the 2021 financial statements caused by the pandemic are still ongoing, the directors have decided that the pursuit of its strategic objectives, will lead to the implementation of initiatives to safeguard the business continuity of the Company.

As regards the activities carried out in the 2021 business year and early in 2022, the Board of Statutory Auditors:

a) met 12 times in 2021 and 4 times in 2022 until today, with the average duration of the meetings being 110 minutes;

b) participated in:

(i) 9 meetings of the Board of Directors in 2021 and 2 meetings in 2022, of which 4 in 2021 and 2 in 2022 partly in the role of the Remuneration Committee and of which 2 in 2021 partly in the role of Nomination Committee;

(ii) 6 meetings of the Control and Risk Committee in 2021 and 1 in 2022;

c) met 6 times with the referents of the Independent Auditing Firm during the course of 2021 and another 2 times in 2022;

d) supervised over the observance of the law and the company by-laws, and also acquired information on and supervised, for matters of its competence, over the adequacy of the organizational structure of the Company, respect of the principles of proper administration and adequacy of the instructions given by the Company to its subsidiaries, pursuant to art. 114, paragraph 2 of Legislative Decree 58/1998 (TUF);

e) obtained from the Chief Executive Officer, with the frequency provided by the laws in force and the company by-laws, the information due on the activities of the Company and its subsidiaries, general management performance and its outlook, and the operations of most relevance in economic, financial and equity terms deliberated and undertaken, which are described in the Directors' Report, which see for more details;

f) also acquired the information required for the performance of the activities of its competence through the collection of documents, data and information and through periodical meetings scheduled for the reciprocal exchange of relevant data and information with: *(i)* the Company management; *(ii)* the heads of the organizational departments of the Company; *(iii)* the Director responsible for preparing the company's accounts documents; *(iv)* the representatives of the independent auditing firm and *(v)* the control bodies of its subsidiaries;

g) in the capacity of "*committee for internal control and auditing*", pursuant to art. 19 of Legislative Decree 39/2010, supervised over: *(i)* the company disclosure process; *(ii)* the effectiveness of the internal control, internal auditing and risk management systems; *(iii)* the legal auditing of the annual and consolidated accounts; *(iv)* the independence of the independent auditing firm;

h) supervised over the adequacy of the Internal Auditing and Risk Management system and the Administration and Accounting System and also the reliability of the latter n correctly representing management events through the competent company departments.

The Board examined the evaluation given by the Board of Directors as regards the adequacy and effectiveness of the Internal Auditing and Risk Management System through:

- updating the Guidelines of the Internal Auditing and Risk Management System, within which the company has, through the ERM model logic, validated a new model for the integrated management of risks aimed at identifying, evaluating and monitoring the internal (operating), external and strategic business risks;
- the certification of the Annual Financial Statements and Consolidated Financial Statements by the Chief Executive Officer and the Director responsible for preparing the company's accounts documents, who provided the declarations provided by paragraph 5 of art. 154-bis of Legislative Decree 58/1998 (TUF), taking into account that provided paragraph 3 and 4 of the same article;
- the periodical meetings with the *Internal Audit Manager*, with regard to activities carried out;
- the examination of the corporate documents and results of the work of the independent auditing firm, for which see the relative Reports;

- relations with the control bodies of the subsidiaries, pursuant to art. 151, paragraphs 1 and 2 of Legislative Decree 58/1998 (TUF);
- participation in the works of the Control and Risk Committee and, when the items being discussed so required, holding joint meetings with the same Committee;

i) monitored the concrete methods of implementation of the rules of corporate governance provided by the Code of Self-Governance of listed companies approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., business associations (ABI, Ania, Assonime and Confindustria) and professional investor associations (Assogestioni);

l) in relation to the topic of corporate responsibility, monitored the observance of the dispositions in Legislative Decree 254/2016, verified the existence of adequate procedures for the collection, processing and representation of data concerning sustainability; this information is described in the 2020 non-financial declaration, which is published separately from the 2020 Management Report and prepared according to the GRI Sustainability Reporting Standards defined in 2016 and updated in 2019;

m) not least, the Board notified that it had taken due notice of Consob recalls nos. 6/20 of 9 April 2020 and 1/21 of 16 February 2021 which, in the light of the consequences of the COVID-19 pandemic, and specifically for that within the sphere of competence of the control body, has implied the necessity to:

(i) enhance the flows of information with the administration body responsible for preparing the draft financial statements;

(ii) promote an effective and timely communication mechanism with the independent auditors, for the reciprocal exchange of information useful in carrying out their respective duties, also pursuant to art. 150, paragraph 3 of the TUF;

(iii) ensure adequate focus on the existence of the presupposition of business continuity, also taking into account the publications by the IFRS Foundation regarding the dispositions to be applied during the current emergency situation caused by COVID-19, and the adequacy of the internal auditing system.

Lastly, the Board hereby notifies that it has taken into due consideration that stated in the Consob call to attention of 18 March 2022 on the current and foreseeable direct and indirect effects of the Russia-Ukraine crisis, in compliance with the ESMA Public Statement of 14 March 2022.

4. **Consolidated Financial Statements and Draft 2021 Annual Financial Statements**

The Board of Statutory Auditors received, within the terms of the Law, the Management Report drawn up by the Directors, together with the "*consolidated*" Financial Statements of the MARR S.p.A. Group and the draft annual financial statements as at 31 December 2021.

The Financial Statements were drawn up according to the *IFRS* emanated by the *IASB* and adopted by the European Commission according to the procedure in art. 6 of EC Regulation 1606/2002 of the European Parliament and Council of 19 July 2002 and pursuant to art. 9 of Legislative Decree 38/2005. The IFRS include the *IAS* and the interpretative documents in force issued by the *IFRS IC*.

The independent auditing firm PricewaterhouseCoopers S.p.a., responsible for the legal auditing of the accounts, today released the reports pursuant to articles 14 of Legislative Decree 39/2010 and art. 10 of EU Regulation 537/2014 for the annual financial statements and consolidated financial statements of MARR S.p.A. as at 31 December 2020, expressing an opinion without comments.

In particular, in these reports, the Independent Auditing Firm certifies that:

- the annual and consolidated financial statements provide a truthful and correct representation of the equity and financial situation of MARR S.p.A. and of the MARR S.p.A. Group respectively as at 31 December 2021, the economic result and the cash flows for the business year closed on said date, in compliance with the IFRS endorsed by the European Union and the procedures emanated in implementation of art. 9 of Legislative Decree 28/2005;
- The annual and consolidated financial statements of MARR S.p.A. have been prepared in the XHTML format in compliance with the dispositions of delegated EU Regulation 2019/815;
- the Management Report and some specific information in the Report on corporate governance and ownership structure indicated in art. 123-bis, paragraph 4 of Legislative Decree 58 of 24 February 1998, for which the Directors of MARR S.p.A. are responsible, are consistent with the Consolidated financial statements of the MARR Group as at 31 December 2021 and are drawn up in compliance with the law.

5. **Operations of most relevance in economic, financial and equity terms – related party transactions**

Among the operations of most relevance in financial terms, it must be noted that on 1 April 2021, the Company acquired 100% of the shares of "Antonio Verrini S.r.l." and "Chef S.r.l. unipersonale", companies specialising in the processing and marketing of seafood products.

Effective as of 1 May 2021, the 100% subsidiary Sifrutta S.r.l. leased its own business to the parent company and, subsequently, on 27 September 2021, by deed by the Notary Stefania di Mauro of Rimini, the operation for the merger by incorporation into MARR S:p.A. was finalised, as resolved by the Board of Directors on 21 July 2021. The juridical effects of the operation were effective as of 30 September 20212, while the accounting and fiscal effects were effective retroactively as of 1 January 2021.

The first Sustainability Report, for the 2020 business year, was drawn up on 6 October 2021. The Sustainability Report supplements the Non-Financial Declaration (DNF) prepared with the 2020 annual financial statements.

Furthermore, in 2022, the company recently signed a binding framework agreement for the purchase of all of the shares of a newly incorporated company named “Frigor Carni S.r.l.”. All of the assets of “Frigor Carni S.a.s.” have been conferred into this company, except for the property which is to be leased. The company is based in Montepaone Lido (Catanzaro) and operates in the sale and distribution of food products to foodservice. Frigor Carni, founded over 40 years ago by the Viscomi family, with more than 13 million Euros in sales in 2021 (they had been about 16 million in 2019, pre-pandemic), about 800 clients served and 15 delivery vehicles, it is the reference operator in Calabria and especially in an area, the Ionian coast, with a very strong tourist vocation. The offer of the company is marked by a significant specialisation in the offer of seafood products, aimed mainly at independent catering clients.

Pursuant to article 2391 bis of the Civil Code and Consob resolution no. 17221 of 12 March 2010, containing the “Regulation containing the dispositions for related party transactions” modified in order to acknowledge Directive 2017/828/EU, the Board of Directors on 14 May 2021 approved an update of the “Procedure for the discipline of related party transactions”, the modifications to which came into force on 1 July 2021.

The Internal Auditing department Manager illustrated analytical reports on the verification of related party transactions on a quarterly basis during the meetings of the CRC (Control Risk Committee) during 2021, with the Board assiduously attending all of these meetings.

The related party transactions are described in detail in the annual financial report by the directors, in which the nature of the relations and consequent economic and equity effects are described in compliance with the law. It must also be noted that all of the commercial transactions and supplies of services with related parties occurred under normal market conditions, taking into account the characteristics of the assets transferred and services rendered.

As regards the above operations, no conflicts of interest were notified to us and none emerged, no blatantly imprudent or risky operations were carried out and nor were any not in compliance with the law and the articles of association or shareholders' meeting resolutions, or capable of causing prejudice to the economic, equity and financial situation of the Company and/or Group.

On the basis of the information available to the Board of Statutory Auditors, there were no atypical and/or unusual operations with third parties or associates.

6. **Meeting with the Boards of Statutory Auditors of the subsidiaries, article 151, paragraphs 1 and 2 of Legislative Decree 58 of 24.2.1998**

No aspects and/or facts of relevance emerged from the meetings held with the Boards of Statutory Auditors of the subsidiaries. The adequacy of the instructions given by the parent company was confirmed.

7. **Observations on the adequacy of the organizational structure**

On the basis of its own competences, the Board of Statutory Auditors supervised over the adequacy of the organizational structure of the Company, confirmed its adequacy with regard to the operational management and control requirements.

The Board of Statutory Auditors acknowledges that the organizational structure was subject to continuous updating, notified to the Board in compliance with the organizational changes made.

8. **Observations on the adequacy of the internal control and risk management system**

It is acknowledged that the Board continued to monitor risk management, which from a methodological viewpoint, follows the logic of the ERM (Enterprise Risk Management) model.

In compliance with the provisions of art. 149 of the TUF, the Board of Statutory Auditors acknowledges that the supervisory activities carried out did not highlight any shortcomings or criticalities that may be considered as indicators of inadequacy of the internal auditing and risk management system (see paragraph 2).

On 25 February 2022, the Board of Directors approved the modifications of the Organizational Model ex Legislative Decree 231/01 in order to include the new crimes provided by the laws in force.

9. **<u>Observations on the adequacy of the administration and accounting system and its reliability in terms of properly representing management events</u>**

The Board of Statutory Auditors has no observations to make on the adequacy of the administrative and accounting system and its reliability in terms of properly representing management events.

10. **<u>Observations on relevant aspects emerging during the course of the meetings held with the independent auditing firm pursuant to art. 150, paragraph 2 of Legislative Decree 58/1998 and art. 19, paragraph 1 of Legislative Decree 39/2010</u>**

During the course of the 2021 business year and also in 2022, the Board of Statutory Auditors periodically exchanged information with the independent auditing firm. The exchanges of information with the auditors pursuant to article 150 of Legislative Decree 58/98 and art. 19, paragraph 1 of Legislative Decree 39/2010 did not highlight any criticalities.

The independent auditing firm PricewaterhouseCoopers S.p.a. did not make any findings and/or disclosure recalls or related observations or limitations in the Reports issued on 30 March 2022, pursuant to article 14 of Legislative Decree 39/2010 and EU Regulation 537/2014, for the annual financial statements and the consolidated financial statements of MARR S.p.A. as at 31 December 2021.

In its additional Report to the Internal Auditing and Independent Auditing Committee, issued pursuant to article 11 of EU Regulation 537/2014 on 30 March 2022, the independent auditing firm PricewaterhouseCoopers S.p.a. stated that, on the basis of the probatory elements acquired, the presupposition of continuity is appropriate for the preparation of the annual and consolidated financial statements as at 31.12.2021 and did not identify any significant uncertainty as to the business continuity of the Company and the Group. Specifically, the independent auditing firm assessed the completeness and consistency of the financial information with the assessments made by Management regarding the capacity of the business to operate as a functioning entity.

In its Report for the purposes of which in art. 19 of Legislative Decree 39/2010, the independent auditing firm pointed out that no fundamental questions were raised during its audit and no significant shortcomings were found in the internal control system as regards the financial disclosure process.

11. Conferment of duties to the independent auditing firm

The Board also supervised over the legal auditing of the annual and consolidated accounts and the independence of the auditing firm, with specific focus on any non-auditing services rendered by the latter.

In appendix 8, after the part referring to the Consolidated Financial Statements, to the 2020 Annual Financial Report, the fees paid during the business year closed on 31 December 2020 for the auditing services rendered to MARR S.p.A. and the subsidiary As.Ca S.p.A. by the independent auditing firm PricewaterhouseCoopers S.p.A. and by PricewaterhouseCoopers Business S.r.l. are listed. These taxable fees are given below in Euros:

TYPE OF SERVICE	***SUBJECT PROVIDING THE SERVICE***	***BENEFICIARY***	***FEES***
Auditing of the Accounts	PricewaterhouseCoopers S.p.A..	MARR S.P.A.	153,000
Auditing of the Accounts	PricewaterhouseCoopers S.p.A.	AS.CA S.p.A.	20,000
Other Services	PricewaterhouseCoopers Business Services S.r.l	MARR S.P.A.	8,000
TOTAL	**Euros**		**181,000**

The duties conferred on PricewaterhouseCoopers Business Services S.r.l. concern methodological support in the preparation of the 2020 Sustainability Report.

The Board today received from the independent auditing firm PricewaterhouseCoopers S.p.A. the annual confirmation of independence pursuant to article 6, paragraph 2 of European Regulation no. 537/2014, on the basis of which from 1 January 2021 to today, the principles regarding ethics of which in articles 9 and 9 bis of Legislative Decree 38/2010 have been respected by them and no situations were encountered that compromised their independence pursuant to articles 10 and 17 of Legislative Decree 39/2010 and articles 4 and 5 of the above European Regulation.

Taking the above into account, the Board of Statutory Auditors believes that no critical aspects emerged regarding the independence of the auditing firm.

12. **Opinions given during the course of the business year**

During the course of the year, the Board of Statutory Auditors gave the opinion of which in art. 2389, third paragraph of the Civil Code concerning the proposal for the review of the method of calculating the short-term variable remuneration for 2021 due to the Chief Executive Officer and regarding the allocation of the short-term objectives for 2022 for the variable component of the remuneration of the Chief Executive Officer.

It also gave the opinion, according to that envisaged by art. 2386, para. 1 of the Civil Code, regarding the replacement of a director.

13. **Indication of adhesion by the company to the Code of Corporate Governance promoted by the Corporate Governance Committees of listed companies**

In observance of the dispositions of article 149, no. 1, sub. c) bis of Legislative Decree 58/98, we acknowledge that the company adheres to and complies with the Code of Corporate Governance, approvato dal Comitato di Corporate Governance approved by the Corporate Governance Committee promoted by Borsa Italiana S.p.A., the business associations (ABI, Ania, Assonime and Confindustria) and professional investors (Assogestioni), also in respect of the principle of prevalence of substance over form, applying its recommendations according on a "*comply or explain*" basis.

Adhesion to the regulations provided by the aforementioned Code of Corporate Governance is the subject of the "Report on Corporate Governance and the Ownership Structure" prepared by the Board of Directors and approved on 15 March 2022, which also takes into account the recommendations of the Code that the Board of Directors decided not to implement, giving its reasons and describing the alternative conduct implemented.

As provided by the Code of Corporate Governance, during the course of the year, the Board of Directors verified the effective independence of the independent directors and the Board of Statutory Auditors verified the correct application of the criteria and procedures applied. Consistently with the dispositions of recommendation no. 9 in art. 2 of the Code of Corporate Governance, the Board of Statutory Auditors also verified the permanence of its independence. The Board also acknowledged the preparation of the "Report on remuneration policy and payments made pursuant to article 123-ter of the TUF", approved by the Board of Directors on 15 March 2022, and had no observations to make in this regard.

The Board of Statutory Auditors was constantly updated as regards the evolution of the sector of business in which the company operates and the reference regulatory framework both during the periodical meetings of the Board and in the communications made pursuant to recommendation 12.d) in Art. 3 of the Code of Corporate Governance.

14. <u>**Non-financial declaration (Sustainability Report) ex Legislative Decree 254/2016**</u>

Having acknowledged art. 4 of Legislative Decree 254/2016 concerning the disclosure of non-financial information and the implementation regulation no. 20267 issued by Consob in resolution dated 18 January 2018, pursuant to article 3, paragraph 7 of Legislative Decree 254/2016 and the Consob call to attention no.1/21 of 16.02.2021, the Board of Statutory Auditors monitored the approval of the NDF of the MARR Group as at 31 December 2021 (Sustainability Report) by the Board of Directors on 15 March 2022 and supervised the observance of the dispositions established by this decree and recommendations, which the independent auditing firm verified the existence and compliance.

The Board met with the department responsible for its preparation and the representatives of the independent auditing firm and examined the documentation made available.

On 30 March 2022, the independent auditing firm issued a separate report on the consolidated non-financial declaration as at 31.12.2021 (Sustainability Report), certifying that "*no elements have been brought to its attention that may lead it to believe that the DNF of the MARR Group for the business year closed on 31 December 2021 has not been drawn-up, in all of its significant aspects, in compliance with that required by articles 3 and 4 of Legislative Decree 254/2016 and the GRI Standards with regard to the selection of the GRI standards recalled therein*".

15. <u>**Final evaluations of the supervisory activities carried ut and any omissions, censurable conduct or irregularities encountered during the course of same**</u>

On the basis of the supervisory activities carried out by the Board of Statutory Auditors, as described above, no censurable conduct, omissions or irregularities emerged worthy of reporting to the competent supervisory and control bodies or mentioning in this Report and no reports were received ex art. 2408 of the Civil Code or filed.

The Board of Statutory Auditors is not aware of other facts or episodes worthy of mentioning to the Shareholders' Meeting.

16. **<u>Proposals to be made to the shareholders' meeting pursuant to art. 153, paragraph 2 of Legislative Decree 58/1998</u>**

The above holding firm, the Board of Statutory Auditors, on the basis of the annual financial statements closed on 31 December 2021, submitted by the Board of Directors on 15 March 2022, sees no reason to prevent their approval and gives its favourable opinion as regards the proposal to retain the business year losses submitted by the Board of Directors and asks you to deliberate on the matter.
Rimini, 30 March 2022

For the Board of Statutory Auditors of MARR S.p.A.

The Chairman

(Signed)

(Mr. Massimo Gatto)