Interim Report

as at March 31, 2024

14 May 2024

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

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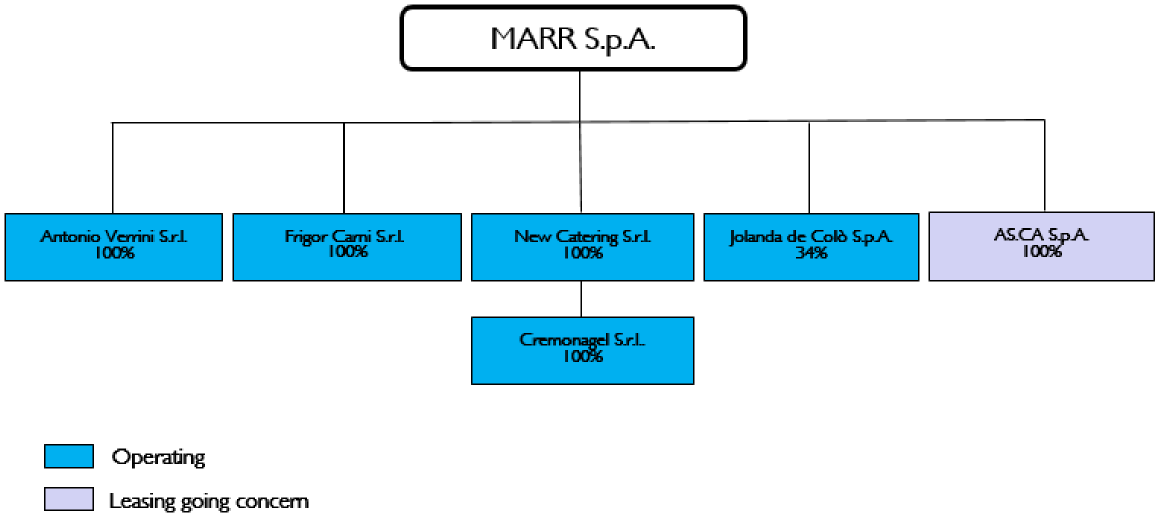
MARR GROUP ORGANISATION

as at March 31, 2024



The structure of the Group as at 31 March 2024 differs from the situation as at 31 March 2023 and as at 31 December 2023 due to the establishment of the subsidiary Cremonagel S.r.l. and the dissolution and liquidation of the subsidiary MARR Foodservice Iberica S.A.

Specifically, the company Cremonagel S.r.l. was established on 29 May 2023 and it is wholly owned by the subsidiary New Catering S.r.l..
Cremonagel S.r.l. operates in the wholesale and retail trade of ice cream and frozen foods in the sector of supplies to bars and fast food restaurants and has stipulated on 30 June 2023, with effect from 1st July 2023 and expiring on 31 March 2024, a rental contract for the company owned by Cremonagel s.a.s. by Alberto Vailati based in Piacenza. With a private agreement dated 5 April 2024, the expiry of the company rental contract was extended from 1st April 2024 to 31 December 2024.

On 31 January 2024 was completed the dissolution and liquidation operation of the subsidiary MARR Foodservice Iberica S.A..

It should also be noted that on 23 February 2024 the Board of Directors of the parent company MARR S.p.A. has approved, pursuant to art. 2505 second paragraph of the civil code, the merger by incorporation into the parent company MARR S.p.A. of the wholly owned company AS.CA. S.p.A.. At the date of approval of this interim management report, the merger deed had not yet been filed at the Companies Register.

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

Company	Activity
MARR S.p.A. Street Spagna n. 20 – Rimini	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.
New Catering S.r.l. Street Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of foodstuff products to bars and fast-food outlets.

Company	Activity
Cremonagel S.r.l. Street Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of foodstuff products to bars and fast-food outlets.
Antonio Verrini S.r.l. Street Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, frozen and deep-frozen fish products mainly in the Ligurian and Versilia area.
Frigor Carni S.r.l. Street Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, dried and frozen food products mainly in the Calabria Region.
Jolanda de Colò S.p.A. Street 1st Maggio n. 21 – Palmanova (UD)	Production, marketing and distribution of food products in the premium segment (high range).
AS.CA S.p.A. Street Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Company which leases going concerns to the Parent Company MARR S.p.A., effective from 1st February 2020.

All subsidiary companies are fully consolidated. Associated companies are valued using the equity method.

CORPORATE BODIES

BOARD OF DIRECTORS

Office	Name and Surname	Executive with strategic responsibilities	Executive	Non-executive	Member of Control and Risk Committee	Independence
Chairman	Andrea Foschi			✔		✔
Chief Executive Officer	Francesco Ospitali	✔				
Director	Giampiero Bergami			✔	✔	✔
Director	Claudia Cremonini			✔		
Director (independent)	Alessandro Nova			✔		✔
Director (independent)	Rossella Schiavini			✔	✔	✔
Director (independent)	Lucia Serra		✔			

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

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

MANAGER RESPONSIBLE FOR THE DRAFTING OF CORPORATE ACCOUNTING DOCUMENTS

Pierpaolo Rossi

DIRECTORS' REPORT

Group performance and analysis of the results for the first quarter of 2024

The unaudited interim management report as at 31 March 2024 was prepared in accordance with the evaluation and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the Commission European Union according to the procedure referred to in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, while for the purposes of the disclosure of this report, reference was made to article 154-ter of the legislative decree of 24 February 1998 n. 58.

The first quarter of 2024 closed with total consolidated revenues of 418.1 million euros which, in comparison with 426.6 million in the same period of 2023, were affected by the implementation of policies starting as of the first part of 2023 aimed at the managing food inflation.

As a result of these policies, aimed at a recovering of the gross margin, operating profitability has improved, with a consolidated gross operating margin (EBITDA) in the first quarter of 2024 amounting to 16.6 million euros (14.8 million in 2023) and EBIT of 7.5 million euros (6.2 million in 2023).

After the first three months of 2024, the net profits, which are affected by increased net financial charges due to dynamics in the cost of founding, amounted to 1.7 million euros (1.5 million in 2023).

The Net Trade Working Capital as at 31 March 2024 amounted to 234.1 million euros, compared to 233.5 million as at 31 March 2023.

The net financial debt as at 31 March 2024 amounted to 260.7 million euros (270.6 million at the end of the first quarter of 2023), while net of the application of accounting standard IFRS 16, it amounted to 181.5 million euros (192.3 million as at 31 March 2023).

The Consolidated Net Equity as at 31 March 2024 amounted to 354.0 million euros (341.1 million at the end of the first quarter of 2023).

Results by segment of activity in the first quarter of 2024

MARR Consolidated (€thousand)	31.03.24	31.03.23
Street market	256,730	250,712
National Account	114,616	121,622
Wholesale	41,166	47,707
Total revenues form sales in Foodservice by customer category	412,512	420,041

Sales of the MARR Group in the first three months of the year, which historically is of a low in seasonality, amounted to 412.5 million euros, compared to 420.0 million in the same period of 2023.

In particular, sales to clients in the Street Market segment (Independent Commercial Catering) amounted to 256.7 million euros (250.7 million in the first quarter of 2023), while those to clients in the National Account segment (Chains and Groups in Structured Commercial Catering and Canteens) amounted to 114.6 million euros, compared to 121.6 million in 2023, and were affected by the decrease in sales in the Canteens sub-segment (66.1 million in the first quarter of 2024 compared to 76.9 million in 2023) as a result of the planned activities implemented as of the first part of 2023 to manage food inflation.

In overall terms, sales in the first quarter of 2024 to clients in Commercial Catering - both independent (Street Market segment) and structured (Chains and Groups, in the National Account segment) - amounted to 305.2 million euros, compared to 295.4 million euros in the same period of 2023.
The market context remains positive, thanks also to the contribution of foreign tourism flow (Federalberghi, May 2024). In the first quarter of 2024 compared to the same period in 2023, according to the Confcommercio Studies Office (Survey no. 4, April 2024) consumption by quantity in the item "Hotels, meals and out-of-home consumption" in Italy increased by 3.3 %, while according to TradeLab (AFH Consumer Tracking, April 2024) the increase in the number of visits to "Away

From Home" (AFH) food consumption catering structures amounts to 1% with an increase of 2% in the value AFH consumption.
Sales to clients in the Wholesale segment (almost entirely frozen seafood products to wholesalers) in the first quarter of 2024 amounted to 41.2 million euros and, in comparison with the 47.7 million in the same period of 2023, were influenced by the trends of certain fishing campaigns compared to last year.

The table below shows the reconciliation between the data indicated above and the revenues from sales and services of the Group as per the profit/(loss) for the period in the consolidated financial statements:

	MARR Consolidated (€thousand)	31.03.24	31.03.23*
	Revenues from sales and services by customer category		
	Street market	256,730	250,712
	National Account	114,616	121,622
	Wholesale	41,166	47,707
	Total revenues form sales in Foodservice	**412,512**	**420,041**
(1)	Discount and final year bonus to the customers	(4,675)	(4,943)
(2)	Other services	98	41
(3)	Other	28	53
	Revenues from sales and services	**407,963**	**415,192**

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

* *It should be noted that the data as at 31 March 2023 have been restated in order to maintain comparability with the 2024 classification following the redefinition of the channels on some customers.*

Below are the reclassified statements of the economic, equity and financial data referring to the first quarter of 2024 compared with the respective periods of the previous financial year.

Analysis of reclassified economic data [1]

MARR Consolidated (€thousand)	1st quarter 2024	%	1st quarter 2023	%	% Change
Revenues from sales and services	407,963	*97.6%*	415,192	*97.3%*	*(1.7)*
Other earnings and proceeds	10,129	*2.4%*	11,407	*2.7%*	*(11.2)*
Total revenues	**418,092**	***100.0%***	**426,599**	***100.0%***	***(2.0)***
Cost of raw materials, consumables and goods for resale	(365,753)	*-87.5%*	(379,698)	*-89.0%*	*(3.7)*
Change in inventories	32,827	*7.9%*	35,354	*8.3%*	*(7.1)*
Services	(56,094)	*-13.5%*	(55,350)	*-13.0%*	*1.3*
Leases and rentals	(192)	*0.0%*	(140)	*0.0%*	*37.1*
Other operating costs	(428)	*-0.1%*	(456)	*-0.1%*	*(6.1)*
Value added	**28,452**	***6.8%***	**26,309**	***6.2%***	***8.1***
Personnel costs	(11,827)	*-2.8%*	(11,549)	*-2.7%*	*2.4*
Gross Operating result	**16,625**	***4.0%***	**14,760**	***3.5%***	***12.6***
Amortization and depreciation	(5,248)	*-1.3%*	(4,906)	*-1.2%*	*7.0*
Provisions and write-downs	(3,865)	*-0.9%*	(3,696)	*-0.9%*	*4.6*
Operating result	**7,512**	***1.8%***	**6,158**	***1.4%***	***22.0***
Financial income/(charges)	(4,832)	*-1.2%*	(3,746)	*-0.8%*	*29.0*
Foreign exchange gains and losses	301	*0.1%*	(237)	*-0.1%*	*227.0*
Net result before taxes	**2,981**	***0.7%***	**2,175**	***0.5%***	***37.1***
Income taxes	(1,253)	*-0.3%*	(705)	*-0.2%*	*77.7*
Net result attributable to the MARR Group	**1,728**	***0.4%***	**1,470**	***0.3%***	***17.6***

Total revenues for the first quarter of 2024 showed an overall decrease of 8,507 thousand euros (-2.0%) of which 7,229 thousand euros deriving from the reduction in revenues from sales and services and 1,278 thousand euros from the reduction in other revenues and proceeds.

Specifically, **revenues from sales and services** went from 415,192 thousand euros on 31 March 2023 to 407,963 thousand euros on 31 March 2024 with a reduction in absolute terms of 7,229 thousand euros, the result of a decrease of 13,547 thousand in revenues from sales of customers of the National Account and Wholesales channels partially offset by the increase of 6,018 thousand euros in revenues of customers of the Street Market channel, for the reasons indicated in the previous paragraph "Results by segment of activity in the first quarter of 2024".

Other revenues and income amounted to 10,129 thousand euros compared to 11,407 thousand in the same period of the previous financial year including 9,301 thousand euros (8,976 thousand euros at 31 March 2023) as contributions received from suppliers for the promotional and marketing activities carried out by the MARR Group towards them. In the first quarter 2023 the item also included an amount of 1,259 thousand euros for the contribution related to the tax credit for electricity and gas accrued by the Group companies. This measure had been introduced by the Italian

[1] It should be noted that the item Total revenues also includes the amount of contributions received from suppliers for the promotional and marketing activities carried out by the MARR Group, which in the statements prepared according to the International Accounting Standards are classified as a reduction of the "Purchase cost of goods ".
EBITDA (Gross Operating Margin) and EBIT (Operating Result) are two economic indicators not defined in the IFRS, adopted by MARR starting from the financial statements as at 31 December 2005.
EBITDA is a measure used by Management to monitor and evaluate its operating performance. The management believes that EBITDA is an important parameter for measuring the Group performance as it is not influenced by the volatility due to the effects of the different criteria for determining the taxable income, by the amount and characteristics of the capital employed as well as by the related depreciation. At today date (subject to further analysis connected to the evolution of IFRS accounting practices) EBITDA (Earnings before interests, taxes, depreciation and amortization) is defined by MARR as Profit/Loss for the year gross of depreciation of tangible and intangible fixed assets , provisions and write-downs, financial charges and income and income taxes.
EBIT (Operating Result), an economic indicator of the Group operating performance. EBIT (Earnings before interests and taxes) is defined by MARR as Profit/Loss for the year before financial charges and income, non-recurring items and income taxes.
Finally, it should be emphasized that the reclassified income statement does not contain indications of Other Profits/Losses (net of the tax effect) shown in the "Statement of other comprehensive income", as required by revised IAS 1 applicable from 1 January 2009.

Government to mitigate the impacts on businesses resulting from the increase in energy costs and the Group companies benefited from it starting from the second half of 2022 until 31 December 2023.

The **cost of sales**, including the purchase cost of goods and the change in warehouse inventories, amounted to 344,344 thousand euros on in the first quarter 2023 compared to 332,926 thousand in the first quarter 2024, with a reduction in the percentage of incidence on total revenues which varies from 80.7% in the first quarter 2023 to 79.6% in the first quarter 2024.

The **cost of services** amounted to 56,094 thousand euros, increasing compared to the 55,350 thousand of the same quarter of the previous year and with an incidence on total revenues of 13.0% in the first quarter 2023 compared to 13.5% in the first quarter 2024. The costs of selling, handling and distributing products increased, while the costs for electricity and gas decreased, .

Labor costs amounted to 11,827 thousand euros (11,549 thousand in the first quarter 2023) and include all expenses for employees, including accrued holidays and additional monthly payments as well as the related social security charges, in addition to the provision for severance pay and other contractually agreed costs.
The increase is related to the increase in the workforce which went from 970 headcounts in the first quarter of 2023 to 1,020 units as of 31 March 2024, mainly due to the effect of the new hires made by the parent company MARR S.p.A. with the aim of strengthening some company departments and for the transfer to the subsidiary Cremonagel S.r.l. of 16 employees.
It should be noted that the renewal of the CCNL for Trade which expired on 31 July 2019 was signed on 22 March 2024, being in force until 2027.

The **Gross Operating Result (EBITDA)** amounted to 16,625 thousand euros with an increase of +12.6% compared to the 14,760 thousand euros of the first quarter 2023 .

The item **Amortization and Depreciation** amounted to 5,248 thousand euros including 3,093 thousand euros (2,906 thousand euros in the first quarter 2023) for the amortization quota linked to the right of use recorded in the financial statements for the rental contracts as provided by IFRS 16, 1,978 thousand euros (1,850 thousand euros in the first quarter 2023) for the depreciation related to buildings, plants, machinery, equipment and other tangible assets owned by the Group companies and the remaining 178 thousand euros (150 thousand euros in the first quarter 2023) for the amortization of intangible assets.

The item **Provisions and write-downs** amounted to 3,865 thousand euros (3,696 thousand euros in the first quarter 2023) including the provisions for bad debts for 3,460 thousand euros (3,371 thousand in the first quarter 2023) and additional customer indemnity fund for 330 thousand euros (175 thousand euros in the first quarter 2023) and other risks and future losses for 75 thousand euros (150 thousand euros in the first quarter of 2023). The incidence on total revenues is equal to 0.9%, unchanged compared to the same period of the previous financial year.

The **operating result (EBIT)** amounted to 7,512 thousand euros recording an increase of +22.0% compared to the 6,158 thousand euros in the first quarter 2023.

Financial management costs are affected by the dynamics of the cost of funding. In particular, financial charges went from 3,941 thousand euros in the first quarter 2023 to 5,609 thousand euros in the first quarter 2024. The financial charges item includes 573 thousand euros of interest expense deriving from the application of IFRS 16 (590 thousand euros in the first quarter 2023).

Current, prepaid and deferred **income taxes** are negative for 1,253 thousand euros (-705 thousand euros in the first quarter 2023). The tax rate goes from 32.41% to 42.03% and the increase is associated with the fact that from 1 January 2024 the repeal of the Economic Growth Assistance (so-called ACE) entered into force, which led to the impossibility to make the deduction linked to the notional return on equity. Furthermore, compared to the same period of the previous financial year, it should be noted that in the first quarter of 2023, 1,259 thousand euros of contributions for tax credit for electricity and gas were recorded in other revenues which did not contribute to the formation of income or for the purposes of IRES, nor for IRAP purposes.

The **net result for the period** amounted to 1,728 thousand euros, an increase of +17.6% compared to the 1,470 thousand euros in the first quarter of 2023.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	31.03.24	31.12.23	31.03.23
Net intangible assets	170,367	170,392	170,408
Net tangible assets	104,910	101,879	88,388
Right of use assets	75,220	77,239	74,781
Equity investments evaluated using the net equity method	1,828	1,828	1,828
Equity investments in other companies	178	178	178
Other fixed assets	14,526	23,009	15,972
Total fixed assets (A)	**367,029**	**374,525**	**351,555**
Net trade receivables from customers	349,547	348,678	350,658
Inventories	236,198	203,370	245,267
Suppliers	(351,634)	(381,396)	(362,469)
Trade net working capital (B)	**234,111**	**170,652**	**233,456**
Other current assets	60,354	82,988	62,441
Other current liabilities	(28,858)	(29,808)	(16,362)
Total current assets/liabilities (C)	**31,496**	**53,180**	**46,079**
Net working capital (D) = (B+C)	**265,607**	**223,832**	**279,535**
Other non current liabilities (E)	(3,722)	(5,093)	(3,941)
Staff Severance Provision (F)	(6,679)	(6,672)	(7,193)
Provisions for risks and charges (G)	(7,519)	(7,665)	(8,231)
Net invested capital (H) = (A+D+E+F+G)	**614,716**	**578,927**	**611,725**
Shareholders' equity attributable to the Group	(353,991)	(355,473)	(341,118)
Consolidated shareholders' equity (I)	**(353,991)**	**(355,473)**	**(341,118)**
(Net short-term financial debt)/Cash	92,131	115,566	27,405
(Net medium/long-term financial debt)	(273,600)	(257,378)	(219,725)
Net financial debt - before IFRS16 (J)	(181,469)	(141,812)	(192,320)
Current lease liabilities (IFRS16)	(12,103)	(11,826)	(11,153)
Non-current lease liabilities (IFRS16)	(67,153)	(69,816)	(67,134)
IFRS16 effect on Net financial debt (K)	(79,256)	(81,642)	(78,287)
Net financial debt (L) = (J+K)	**(260,725)**	**(223,454)**	**(270,607)**
Net equity and net financial debt (M) = (I+L)	**(614,716)**	**(578,927)**	**(611,725)**

Analysis of the Net Financial Position [II]

Below is the detail of the composition of net financial debt according to the provisions of ESMA guideline 32-382-1138 of 03/04/2021:

	MARR Consolidated (€thousand)	31.03.24	31.12.23	31.03.23
A.	Cash	13,328	17,479	6,482
	Bank accounts	150,624	205,927	148,563
	Postal accounts	0	0	0
B.	Cash equivalent	150,624	205,927	148,563
C.	**Liquidity (A) + (B)**	**163,952**	**223,406**	**155,045**
	Current financial receivable due to Parent company	9,796	9,818	9,640
	Others financial receivable	0	0	0
D.	**Current financial receivable**	**9,796**	**9,818**	**9,640**
E.	**Current receivables for derivative/financial instruments**	**0**	**2**	**0**
F.	Current Bank debt	(15,128)	(44,699)	(67,186)
G.	Current portion of non current debt	(65,219)	(70,082)	(66,110)
	Other financial debt	(1,270)	(2,879)	(3,984)
H.	Other current financial debt	(1,270)	(2,879)	(3,984)
I.	Current lease liabilities (IFRS16)	(12,103)	(11,826)	(11,153)
J.	**Current financial debt (F) + (G) + (H) + (I)**	**(93,720)**	**(129,486)**	**(148,433)**
K.	**Net current financial indebtedness (C) + (D) + (E) + (J)**	**80,028**	**103,740**	**16,252**
L.	Non current bank loans	(174,150)	(157,533)	(120,112)
M.	Non-current derivative/financial instruments	466	126	776
N.	Other non current loans	(99,916)	(99,971)	(100,389)
O.	Non-current lease liabilities (IFRS16)	(67,153)	(69,816)	(67,134)
P.	**Non current financial indebtedness (L) + (M) + (N) + (O)**	**(340,753)**	**(327,194)**	**(286,859)**
Q.	**Net financial indebtedness (K) + (P)**	**(260,725)**	**(223,454)**	**(270,607)**

The financial debt of the MARR Group is affected by the seasonality of the business which records a greater need for working capital during the summer period. Historically, indebtedness reaches its highest level in the first two quarters of the year and then decreases at the end of the financial year and in particular in the first quarter the increase is associated with the procurement policies implemented in view of the start of the summer season.

As of 31 March 2024, net financial debt amounted to 260,725 thousand euros, a reduction compared to the 270,607 thousand euros of 31 March 2023.
Net of the effects of the application of the IFRS 16 accounting standard, the net financial debt at 31 March 2024 amounted to 181,469 thousand euros and compares with the 192,320 thousand euros at 31 March 2023.

In addition to the cash flows absorbed to finance working capital, during the quarter, outlays for investments amounting to 5,419 thousand euros were incurred, for the details of which please refer to the "Investments" paragraph, treasury shares were purchased for a total outlay of 3,514 thousand euros and paid the amount of 1,200,000 thousand euros in relation to the earn out envisaged by the framework agreement for the purchase of the investment in the subsidiary Frigor Carni S.r.l..

[II] 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.

As regards the movement in the structure of the financial debt components linked to loans to credit institutions, during the quarter the Parent Company MARR S.p.A. has repaid installments of medium-long term loans for a total of 10,235 thousand euros and has signed loans for a total amount of 22,000 thousand euros, as indicated below:

- on 19 January 2024, a medium-term loan contract of 2,000 thousand euros over 36 months in amortizing with quarterly installments was signed, with disbursement on the same date, with Sanfelice 1893 Banca Popolare.
The contract does not include financial covenants.
- on 9 February 2024, a medium-term loan contract of 20,000 thousand euros with 60 months in amortizing with quarterly installments and a 12-month pre-amortization was signed with Bper Banca, with disbursement on the same date.
The contract includes financial covenants.

As of March 31, 2024, all financial covenants in place on the loans were respected.

The net financial position as of March 31, 2024 remains in line with the Company's objectives.

Analysis of the trade net working capital

MARR Consolidated (€thousand)	**31.03.24**	31.12.23	31.03.23
Net trade receivables from customers	349,547	348,678	350,658
Inventories	236,198	203,370	245,267
Suppliers	(351,634)	(381,396)	(362,469)
Trade net working capital	**234,111**	**170,652**	**233,456**

Net commercial working capital at 31 March 2024 amounted to 234,111 thousand euros (233,456 thousand euros at 31 March 2023).

In terms of composition, compared to the last quarter of 2023, there is a lower incidence of net trade receivables partly due to the reduction in turnover but above all linked to the improvement in collection times. The uses of working capital linked to the inventory component also decreased, as a result of better management of inventory rotation, the latter aspect also being reflected in the reduction in debts to suppliers.

As of March 31, 2024, commercial working capital remains aligned with the Company's objectives.

Re-classified cash-flow statement

MARR Consolidated (€thousand)	31.03.24	31.03.23
Net profit before minority interests	1,728	1,470
Amortization and depreciation	5,248	4,906
Change in Staff Severance Provision	7	(14)
Operating cash-flow	6,983	6,362
(Increase) decrease in receivables from customers	(869)	3,152
(Increase) decrease in inventories	(32,828)	(35,354)
Increase (decrease) in payables to suppliers	(29,762)	(32,142)
(Increase) decrease in other items of the working capital	28,552	15,572
Change in working capital and other change in non current items	(34,907)	(48,772)
(Investments) in intangible assets	(153)	(181)
(Investments) in tangible assets	(5,259)	(6,338)
Net disinvestment in tangible assets	250	
Investments in other fixed assets	(5,162)	(6,519)
Free - cash flow before dividends	(33,086)	(48,929)
Distribution of dividends	0	0
Purchase of treasury shares	(3,514)	(1,607)
Cash-flow from (for) change in shareholders' equity	(3,514)	(1,607)
FREE - CASH FLOW	(36,600)	(50,536)
Opening net financial debt	(223,454)	(217,550)
Effect for change in liability for IFRS16	(1,074)	(2,320)
Other non-monetary changes	403	(201)
Cash-flow for the period	(36,600)	(50,536)
Closing net financial debt	(260,725)	(270,607)

Investments

Below is a summary of the net investments made in the first quarter of 2024:

(€thousand)	31.03.24
Intangible assets	
Patents and intellectual property rights	51
Fixed assets under development and advances	109
Total intangible assets	160
Tangible assets	
Land and buildings	1,189
Plant and machinery	431
Industrial and business equipment	307
Other assets	683
Fixed assets under development and advances	2,649
Total tangible assets	5,259
Total	5,419

Investments in intangible assets amounted to 160 thousand euros and involved the purchase of new licenses, software and applications which have partly entered into operation and partly are still being implemented as of 31 March 2024 and are therefore exposed under the item "Assets in progress and advances".

Investments in tangible fixed assets amounted to 5,259 thousand euros and mainly related to the completion of the MARR Lombardia branch, a new structure of 14 thousand square meters located in Bottanuco (Bergamo), whose operational activities began on 15 April 2024.
As of March 31, 2024, the investments completed for the new distribution center amounted to a total of 28,536 thousand euros, of which 3,612 thousand euros incurred in the first quarter of 2024 and recognized for 2,564 thousand euros within the item "Assets in progress and advances" and for 1,047 thousand euros included within the item "Land and buildings" relating to the amount incurred for the purchase of land.
This investment is aimed at increasing local presence, the level of customer service and distribution efficiency in what is the most important region in terms of out-of-home food consumption in Italy.

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

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

Other information

The Company does not own, and has never owned, shares or quotas of parent companies, even through third parties and/or companies.

MARR as of today holds in its portfolio 1,280,860 treasury shares, amounting to approximately 1.93% of the share capital.

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

Significant events during the first quarter 2024

On 31 January 2024, the dissolution and liquidation operation of the subsidiary MARR Foodservice Iberica S.A. was completed. with the registration of the deed of dissolution in the Registro Mercantil of Madrid and consequent cancellation of the company.

On 23 February 2024 the Board of Directors of MARR S.p.A. has approved, pursuant to art. 2505 second paragraph of the civil code, the merger by incorporation into the parent company MARR S.p.A. of the wholly owned company AS.CA. S.p.A.. At the date of approval of this interim management report, the merger deed had not yet been filed with the Companies Register.

With a certified private deed dated 5 April 2024, the company rental contract between Cremonagel s.a.s. was extended. of Alberto Vailati and the subsidiary Cremonagel S.r.l. from 1st April 2024 to 31 December 2024. The original company rental contract was stipulated on 30 June 2023, with effect from 1 st July 2023 and expiry on 31 March 2024.

Subsequent events after the closing of the quarter

On 15 April 2024, the operational activities of the MARR Lombardia branch began according to plan, a new structure of 14 thousand square meters located in Bottanuco (Bergamo), which strengthens MARR's presence in Lombardy, the first Italian region by value of food consumption outside the home.

The Shareholders' Meeting was held on 19 April and approved the financial statements as of 31 December 2023 and the Sustainability Report of the MARR Group as of 31 December 2023, which also takes on the value of a consolidated statement of a non-financial nature drawn up to the pursuant to Legislative Decree 254/2016.
This Assembly resolved the distribution of a gross dividend of 0.60 euros (0.38 euros the previous year) with "coupon detachment" (n.19) on 20 May 2024, record date on 21 May and payment on 22 May . The retained profit, the amount of which will be determined based on the treasury shares in the portfolio upon distribution of the coupon, will be set aside in the Extraordinary Reserve.
The Assembly also has:
- expressed its favorable opinion regarding the "Second Section" of the Report on the Remuneration Policy and Remuneration Paid drawn up by the Board of Directors pursuant to Art. 123-ter of Legislative Decree 24 February 1998 n. 58 (the "TUF") relating to compensation paid in 2023;
- revoked, for the unexecuted part, the authorization for the purchase, sale and disposal of the Company's own shares granted by resolution of the Shareholders' Meeting dated 28 April 2023 and at the same time approved a new authorization for the purchase, sale and disposal of the Company's own shares according to the terms and conditions illustrated in the report available on the Company's website at www.marr.it governance/assemblies section.
The authorization to purchase, sell and dispose of treasury shares is aimed, in the interests of the Company:

> a) to carry out, directly or through intermediaries, any investment operations also to contain anomalous movements in prices, to regularize the performance of negotiations and prices and to support the liquidity of the security on the market, so as to facilitate the regular conduct of negotiations outside of the normal variations linked to market trends, without prejudice in any case to compliance with the provisions in force;
> b) to carry out, consistently with the strategic lines of the Company, capital operations or other operations in relation to which it is necessary or appropriate to proceed with the exchange or transfer of share packages to be carried out through exchange, contribution or other disposition act.

Outlook

The trend of out-of-home food consumption in the first four months of 2024, and thus after the "spring long weekends" of 25 April and 1 May, both penalised by unfavorable weather conditions (Confesercenti, April-May, 2024), provided positive indications in view of the summer tourist season.
In this context, the trend of sales to clients in the Commercial Catering sector (Clients in the Street Market segment and in the sub-segment of Chains and Groups in the National Account segment) after the first four months of the year is consistent with that of the first quarter and with the objectives of strengthening market presence.
Sales to Canteens sector after the first four months showed a trend of improved dynamics compared to those in the first quarter, also thanks to a favorable calendar in April. As a result of the actions being implemented, a progressive recovery is expected in sales to Canteens sub-segment in the second half of the year.

The focus of the entire organization on the recovery of operating profitability is confirmed, in particular thanks to the management of the gross margin, and to the control of the levels of absorption of the working capital.

Going concern assumption

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

Interim Consolidated Financial Statements

MARR Group

Interim Report

as at March 31, 2024

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	31.03.24	relating to related parties	%	31.12.23	relating to related parties	%	31.03.23	relating to related parties	%
ASSETS									
Non-current assets									
Tangible assets	104,910			101,879			88,388		
Right of use assets	75,220			77,239			74,781		
Goodwill	167,010			167,010			167,010		
Other intangible assets	3,357			3,382			3,398		
Investments valued at equity	1,828			1,828			1,828		
Investments in other companies	178			178			178		
Non-current financial receivables	280			9			14		
Financial instruments/derivatives	466			126			776		
Deferred tax assets	0			0			0		
Other non-current assets	32,730			26,586			22,203		
Total non-current assets	385,979			378,237			358,576		
Current assets									
Inventories	236,198			203,370			245,267		
Financial receivables	9,796	*9,796*	*100.0%*	9,818	*9,818*	*100.0%*	9,640	*9,640*	*100.0%*
Financial instruments/derivatives	0			2			0		
Trade receivables	331,063	*19,265*	*5.8%*	345,093	*20,923*	*6.1%*	344,413	*18,702*	*5.4%*
Tax assets	11,141	*12*	*0.1%*	13,913	*12*	*0.1%*	10,850	*3,452*	*31.8%*
Cash and cash equivalents	163,953			223,406			155,045		
Other current assets	38,123	*50*	*0.1%*	37,901	*132*	*0.3%*	36,884	*61*	*0.2%*
Total current assets	790,274			833,503			802,099		
TOTAL ASSETS	1,176,253			1,211,740			1,160,675		
LIABILITIES									
Shareholders' Equity									
Shareholders' Equity attributable to the Group	353,991			355,473			341,118		
Share capital	*33,263*			*33,263*			*33,263*		
Reserves	*249,253*			*252,455*			*258,354*		
Net result of the period attributable to the Group	*71,475*			*69,755*			*49,501*		
Total Shareholders' Equity	353,991			355,473			341,118		
Non-current liabilities									
Non-current financial payables	274,066			257,436			220,501		
Non-current lease liabilities (IFRS16)	67,153	*5,618*	*8.4%*	69,816	*5,877*	*8.4%*	67,134	*4,988*	*7.4%*
Financial instruments/derivative	0			68			0		
Employee benefits	6,679			6,672			7,193		
Provisions for risks and costs	6,667			6,555			6,891		
Deferred tax liabilities	851			1,110			1,340		
Other non-current liabilities	3,722			5,093			3,941		
Total non-current liabilities	359,138			346,750			307,000		
Current liabilities									
Current financial payables	81,615			117,660			137,263		
Current lease liabilities (IFRS16)	12,103	*1,019*	*8.4%*	11,826	*1,011*	*8.5%*	11,153	*761*	*6.8%*
Financial instruments/derivatives	3			0			17		
Current tax liabilities	13,436	*9,348*	*69.6%*	12,410	*8,233*	*66.3%*	2,004		
Current trade liabilities	340,545	*16,976*	*5.0%*	350,223	*15,552*	*4.4%*	347,762	*27,973*	*8.0%*
Other current liabilities	15,422	*287*	*1.9%*	17,398	*288*	*1.7%*	14,358	*198*	*1.4%*
Total current liabilities	463,124			509,517			512,557		
TOTAL LIABILITIES	1,176,253			1,211,740			1,160,675		

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€thousand)	Notes	1st quarter 2024	relating to related parties	%	1st quarter 2023	relating to related parties	%
Revenues	1	407,963	*25,122*	*6.2%*	415,192	*24,769*	*6.0%*
Other revenues	2	828	*9*	*1.1%*	2,431	*25*	*1.0%*
Changes in inventories		32,828			35,354		
Purchase of goods for resale and consumables	3	(356,452)	*(44,259)*	*12.4%*	(370,722)	*(45,268)*	*12.2%*
Personnel costs	4	(11,827)			(11,549)		
Amortizations, depreciations and provisions	5	(5,654)			(5,231)		
Losses due to impairment of financial assets	6	(3,460)			(3,371)		
Other operating costs	7	(56,714)	*(989)*	*1.7%*	(55,946)	*(921)*	*1.6%*
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(131)*			*(17)*		
Financial income and charges	8	(4,531)	*(16)*	*0.4%*	(3,983)	*(40)*	*1.0%*
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(1,097)*			*(1,068)*		
Income (charge) from associated companies		0			0		
Net result before taxes		2,981			2,175		
Taxes	9	(1,253)			(705)		
Net result of the period		1,728			1,470		
Attributable to:							
Shareholders of the parent company		1,728			1,470		
Minority interests		0			0		
		1,728			1,470		
EPS base (euros)	10	0.03			0.02		
EPS diluted (euros)	10	0.03			0.02		

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	Notes	1st quarter 2024	1st quarter 2023
Profits/(Loss) for the period (A)		1,728	1,470
Items to be reclassified to profit or loss in subsequent periods:			
Efficacious part of profits/(losses) on cash flow hedge instruments		403	(263)
Taxation effect on the effective portion of profits/(losses) on cash flow hedge instruments		(97)	63
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans		0	0
Taxation effect in the actuarial (losses)/gains onceming defined benefit plans		0	0
Total Other Profits/(Losses) net of taxes (B)	11	306	(200)
Comprehensive Income/(Loss) (A + B)		2,034	1,270
Attributable to:			
Shareholders of the parent company		2,034	1,270
Minority interests		0	0
		2,034	1,270

CONSOLIDATED STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY

Description	Share Capital	Other reserves												Profits carried over from consolidated	Total Group net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to Ias/Ifrs	Cash-flow hedge reserve	Reserve for treasury shares	Reserve ex art. 55 (dpr 597-917)	Reserve IAS 19	Total Reserves		
Balance at 1st January 2023	33,263	63,348	6,652	13	36,496	147,840	1,475	7,290	777	(4,682)	1,438	(487)	260,163	48,031	341,457
Effect of the trading of own shares										(1,607)			(1,607)		(1,607)
Other minor variations											(1)		(1)		(1)
- Net result of the period														1,470	1,470
- Other Profits/Losses, net of taxes									(200)				(200)		(200)
Consolidated comprehensive result (1/1-31/03/23)															1,270
Balance at 31 March 2023	33,263	63,348	6,652	13	36,496	147,840	1,475	7,290	577	(6,289)	1,437	(487)	258,355	49,501	341,118
Allocation of 2022 profit						333							333	(333)	
Distribution of MARR S.p.A. dividends														(25,068)	(25,068)
Effect of the trading of own shares										(5,665)			(5,665)		(5,665)
Other minor variations								3			(5)		(4)	(9)	(12)
- Net result of the period														45,664	45,664
- Other Profits/Losses, net of taxes									(531)			(33)	(564)		(564)
Consolidated comprehensive income (1/04-31/12/23)															45,100
Balance at 31 December 2023	33,263	63,348	6,652	13	36,496	148,174	1,475	7,293	46	(11,954)	1,432	(520)	252,455	69,755	355,473
Effect of the trading of own shares										(3,514)			(3,514)		(3,514)
Other minor variations								8			(1)		6	(8)	(2)
- Net result of the period														1,728	1,728
- Other Profits/Losses, net of taxes									306				306		306
Consolidated comprehensive income (1/1-31/03/24)															2,034
Balance at 31 March 2024	33,263	63,348	6,652	13	36,496	148,174	1,475	7,301	352	(15,468)	1,431	(520)	249,253	71,475	353,991

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	31.03.24	relating to related parties	%	31.03.23	relating to related parties	%
Net result of the Period	1,728			1,470		
Adjustment:						
Amortization / Depreciation	2,156			2,000		
IFRS 16 depreciation	3,093			2,906		
Change in deferred tax	(355)			(343)		
Allocation of provison for bad debts	3,459			3,371		
Allocation of provision for risks and losses	75			150		
Provision for supplementary clientele severance indemnity	330			175		
Capital profit/losses on disposal of assets	(14)			(51)		
Financial (income) charges net of foreign exchange gains and losses	4,832			3,746		
Foreign exchange evaluated (gains)/losses	(248)			160		
Total	13,328			12,114		
Net change in Staff Severance Provision	7			(14)		
(Increase) decrease in trade receivables	(4,328)	*1,658*	*(38.3%)*	934	*7,036*	*753.3%*
(Increase) decrease in inventories	(32,828)			(35,354)		
Increase (decrease) in trade payables	(9,678)	*1,424*	*(14.7%)*	(17,597)	*(10,882)*	*61.8%*
(Increase) decrease in other assets	8,533	*82*	*1.0%*	3,749	*379*	*10.1%*
Increase (decrease) in other liabilities	(3,639)	*(1)*	*0.0%*	196	*(392)*	*(200.0%)*
Net change in tax assets / liabilities	3,794	*1,115*	*29.4%*	(3,958)	*591*	*(14.9%)*
Interest paid	(5,609)	*(60)*	*1.1%*	(3,940)	*(61)*	*1.5%*
Interest received	777	*44*	*5.7%*	195	*20*	*10.3%*
Foreign exchange gains	248			(160)		
Cash-flow from operating activities	(27,667)			(42,365)		
(Investments) in other intangible assets	(153)			(181)		
(Investments) in tangible assets	(5,259)			(6,338)		
Net disposal of tangible assets	264			0		
Outgoing for (acquisition)/divestment of subsiaries or going concerns during the year	(1,200)			0		
Cash-flow from investment activities	(6,348)			(6,519)		
Net change lease liabilities (IFRS16)	(3,460)	*(250)*	*7.2%*	(3,282)	*(243)*	*7.4%*
Net change in financial payables (excluding the new non-current loans received)	(29,980)			50,947		
New non-current loans received	22,000			10,000		
Repayment of other long - term debt	(10,235)			(43,409)		
Net change in current financial receivables	22	*22*	*100.0%*	(236)	*(236)*	*100.0%*
Net change in non-current financial receivables	(271)			0		
Dividends payment	0			(148)		
Purchase of treasury shares	(3,514)			(1,607)		
Cash-flow from financing activities	(25,438)			12,265		
Increase (decrease) in cash-flow	(59,453)			(36,619)		
Opening cash and equivalents	223,406			191,664		
Closing cash and equivalents	163,953			155,045		

For the reconciliation between the opening data and the closing balances with the related movements in financial liabilities deriving from financing activities (as required by paragraph 44A of IAS 7) please refer to Annex 1 of the following Notes.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Structure and contents of the consolidated financial statements

The interim management report as at 31 March 2024 was prepared in compliance with the evaluation and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure referred to in 'art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, while for the purposes of the disclosure of this report, reference was made to article 154-ter of the legislative decree of 24 February 1998 n. 58.

In the "Valuation criteria" section, the reference international accounting standards adopted in the preparation of the quarterly report as at 31 March 2024 do not differ from those used in the preparation of the consolidated financial statements as at 31 December 2023, with the exception of the accounting standards, amendments and interpretations applicable from 1 January 2024.

For the purposes of applying IFRS 8, it is noted that the Group operates in the sole sector of "Distribution of food products to non-domestic catering"; with regards to the trends in the first quarter of 2024, please refer to what is stated in the Directors' Report on management performance.

The consolidated accounting statements as of 31 March 2024 show, for comparative purposes, the data for the first quarter of 2023 for the income statement, while for the balance sheet the balances for the financial year ended 31 December 2023 and the quarter ended 31 March 2023.

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

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

The functional and presentation currency is the euro.

The statements and tables contained in this quarterly situation are shown in thousands of euros.

The interim management report is not subject to audit.

This report was prepared using the principles and evaluation 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 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 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 March 2024 include the financial statements of the parent company MARR S.p.A. and that of the companies in which it directly or indirectly holds control.
Control is obtained when the Group is exposed or has the right to variable returns, deriving from its relationship with the investee entity and, at the same time, has the ability to affect these returns by exercising its power over that entity. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee entity (ie holds valid rights which give him the current ability to direct the relevant activities of the investee entity);
- the exposure or rights to variable returns deriving from the relationship with the investee entity;
- the ability to exercise one power over the investee to affect the amount of its returns.

Generally, there is an assumption that a majority of voting rights entail control. In support of this presumption and when the Group holds less than the majority of voting rights (or similar rights), the Group considers all relevant facts and circumstances to establish whether it controls the investee, including:

- contractual agreements with other holders of voting rights;
- rights deriving from contractual agreements;
- voting rights and potential voting rights of the Group.

The Group reconsiders whether or not it has control of an investee if the facts and circumstances indicate that there have been changes in one or more of the three relevant elements for the purposes of defining control.
The complete list of equity investments included in the scope of consolidation as at 31 March 2024, with an indication of the method of consolidation, is shown in Attachment 1.
The consolidated financial statements have been prepared on the basis of the financial statements as at 31 March 2024 prepared by the companies included in the scope of consolidation and adjusted, where necessary, in order to align them with the accounting standards and group classification criteria compliant with IFRS.

The consolidation area at 31 March 2024 differs from that at 31 March 2023 and 31 December 2023 due to the establishment on 29 May 2023 of the company Cremonagel S.r.l., entirely owned by the subsidiary New Catering S.r.l. and for the completion on 31 January 2024 of the dissolution and liquidation of the subsidiary MARR Foodservice Iberica.

No new business combinations were finalized during the first quarter of 2024.

Evaluation criteria

The evaluation criteria used for the preparation of the consolidated financial statements for the quarter ended 31 March 2024 do not differ from those used for the preparation of the consolidated financial statements closed as of 31 December 2023, with the exception of the new accounting standards, amendments and interpretations applicable from 1 January 2024 listed below which, however, it should be noted did not have an impact on the current equity, economic and financial situation of the Group.

Amendments to IAS 1 – Classification of liabilities between current and non-current

In January 2020 the IASB published amendments to IAS 1 – Classification of liabilities between current and non-current, which were further amended with the Amendments - Non-current liabilities with covenants which were published in

October 2022. The Amendments require that the right of an entity to defer the settlement of a liability for at least twelve months after the reporting period has substance and exists at the end of the reporting period. The classification of a liability is not influenced by the probability that the entity will exercise the right to defer its settlement for at least twelve months after exercise.

As a result of the COVID-19 pandemic, the Board has postponed the effective date of the Amendments by one year to fiscal years beginning on or after January 1, 2024.

Amendments to IAS 1 – Non-current liabilities with covenants

Following the publication of the Amendments to IAS 1 - Classification of liabilities between current and non-current, the IASB further amended IAS 1 in October 2022.

If an entity's deferral right is conditional on the entity's compliance with certain conditions, those conditions affect the existence of that right at the reporting date if the entity is required to comply with the condition at on or before the reporting date and not whether the entity is required to comply with the conditions after the reporting period.

Amendments to IFRS 16 - Liability in a Sale and Leaseback (amendments to IFRS 16 Leases)

The International Accounting Standards Board (Board) published the Exposure Draft entitled Lease Liability in a Sale and Leaseback in 2020. This document specifies the method used by a selling lessee to initially measure the right-of-use asset and lease liability arising from a sale and leaseback transaction and how the selling lessor subsequently measures this liability. In 2021 the Board reviewed the feedback received on the Exposure Draft. At its September 2021 meeting, the Interpretations Committee discussed the project and discussed the direction of the project considering this feedback. In September 2022, the IASB amended IFRS 16. The amendments add paragraph 102A to IFRS 16. According to this paragraph, the seller-lessee is required to determine the "lease rentals" or "revised leasing rentals" so as not to detect any amount of profit or loss relating to the right of use retained by the seller-lessee itself. The paragraph does not prescribe a particular method for achieving this result.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

On 25 May 2023 the IASB issued Supplier Finance Arrangements amending IAS 7 Cash Flow Statements and IFRS 7 Financial Instruments: Disclosures (the Amendments).
These Amendments occurred following a request received from IFRIC relating to the requirements for the presentation of liabilities and related financial flows deriving from supply chain financing agreements (hereinafter "supplier finance arrangements" or "reverse factoring") and related information integrative. In December 2020, the IFRIC published an Agenda decision - Supply Chain Financing Arrangements—Reverse Factoring which responded to this request based on the provisions of the IFRS in force at the time.
During this process, various stakeholders indicated limitations due to the requirements that then existed to meet the important information needs of users to understand the effects of reverse factoring on an entity's financial statements and to compare one entity with another. In response to this feedback, the IASB adopted a draft limited amendment to the standards, resulting in the Amendments. The Amendments require entities to provide some specific information (qualitative and quantitative) relating to supplier finance arrangements. The Amendments also provide guidance on the characteristics of supplier finance arrangements.

Main estimates adopted by management and discretionary assessments

As part of the preparation of these condensed consolidated financial statements, the Directors of the Company have carried out discretionary assessments, estimates and hypotheses that influence the values of revenues, costs, assets and liabilities, and the indication of potential liabilities at the balance sheet date. However, the uncertainty regarding these hypotheses and estimates could lead to outcomes that will require, in the future, a significant adjustment to the book value of such assets and/or liabilities.

Estimates and hypotheses used

Below are presented the key assumptions regarding the future and other important sources of uncertainty in the estimates at the closing date of the interim management report which could produce significant adjustments in the carrying values of assets and liabilities in future years. Realized results may differ from these estimates. The estimates and assumptions are reviewed periodically and the effects of each change are immediately reflected in the income statement.

- Goodwill impairment test: non-financial assets with an indefinite useful life are not amortized, but subjected to impairment tests annually or whenever there are indicators of loss of value. In this regard, it should be noted that the trends in the first quarter are in line with the forecasts that were taken and referenced on 31 December 2023 for carrying out the impairment test and there are no indicators of loss of value.

- Expected credit losses (devaluation of credits): the attention that the Company reserves for the management of trade credits remains high, implementing methods calibrated to the situations and needs of each territory and market segment; the objective remains that of safeguarding the company's assets while maintaining closeness to the customer which allows timely credit management and strengthening of the relationship with the customer.

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

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

Financial risk management

The financial risks to which the Group is exposed in carrying out its business are the following:
- market risk (including exchange rate risk, interest rate risk, price risk);
- credit risk;
- liquidity risk.

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

Market risk

(i) Exchange risk: exchange risk arises when assets and liabilities recognized are expressed in a currency other than the functional currency of the company (the Euro). The Group operates internationally and is therefore exposed to exchange rate risk, especially with regard to commercial transactions denominated in US dollars. The Group's method of managing this risk consists on the one hand in entering into forward purchase/sale contracts for foreign currency specifically intended to cover individual commercial transactions, if the forward exchange rate is favorable compared to that of the transaction date.
(ii) Interest rate risk: risks relating to changes in interest rates relate to financing. Long-term loans from banks are mostly at variable rates and expose the Group to the risk of changes in cash flows due to interest. To address this risk, the Parent Company has historically stipulated Interest Rate Swap contracts specifically related to partial or total hedging of some loans. Fixed rate loans expose the Group to the risk of changes in the fair value of the loans themselves.
As regards the uses of other short-term credit lines, management's attention is aimed at safeguarding and consolidating relationships with credit institutions in order to stabilize the spread applied to Euribor as much as possible.
(iii) Price risk: the Group makes purchases and sales worldwide and is therefore exposed to the normal risk of price fluctuations typical of the sector.

Credit risk

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

The Group deals only with known and reliable customers. It is Group policy that customers who request deferred payment terms are subject to procedures to verify their merit class. Furthermore, the credit balance is monitored during the year so that the amount of non-performing positions is not significant.

The customer monitoring activity is mainly divided into two phases.
A preliminary one, in which the personal and fiscal data is collected and the information is verified - obtained both from the Sales Force and through the reading of commercial information - with the aim of assigning conditions consistent with the potential and reliability of each individual new client.
The activation of the new customer is subject to the completeness and regularity of the above-mentioned data and the approval of multiple corporate bodies according to the criteria indicated in the current policy.
Each new customer is assigned a credit line based on their potential and reliability, taking into account various information including the type of activity carried out, the number of years of activity, the reputation with other suppliers, the seasonality, the expected turnover and the agreed payment terms.

Once the above phase has been successfully completed, we enter the so-called monitoring phase of the commercial relationship.
In order to ensure risk containment and reduction of payment days, all orders received from customers are analyzed in terms of exceeding the assigned credit limit and/or the presence of expired exposure; this control involves the insertion of blocks on the records with different levels of severity as specified in the current policy.
The daily activity of order fulfillment control on customers who present situations of overdue and/or out of credit is of fundamental importance in order to promptly and preventively implement all the measures necessary to bring the customer back within the company parameters, reduce the risk and regularly follow up on the continuity of the commercial relationship.

Liquidity risk

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

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

Comment on the main items of the consolidated statement of profit/(loss) for the period

1. Revenues

(€thousand)	1st quarter 2024	1st quarter 2023
Net revenues from sales - Goods	407,844	415,099
Revenues from Services	23	19
Manufacturing on behalf of third parties	3	3
Rent income (typical management)	2	3
Other services	91	68
Total revenues	**407,963**	**415,192**

For a more detailed analysis of the sales performance by business segment, please refer to what has already been stated in the Directors' Report in the paragraph "Results by business segment for the first quarter of 2024".

As of March 31, 2024, the breakdown of revenues from the sale of goods and services by geographical area is as follows:

(€thousand)	1st quarter 2024	1st quarter 2023
Italy	391,809	393,051
European Union	11,012	18,290
Extra-EU countries	5,142	3,851
Total	**407,963**	**415,192**

2. Other revenues

Other revenues and income are made up as follows:

(€thousand)	1st quarter 2024	1st quarter 2023
Other Sundry earnings and proceeds	493	830
Revenues for accrued tax credits	31	1,254
Reimbursement for damages suffered	152	183
Reimbursement of expenses incurred	127	106
Recovery of legal taxes	8	7
Capital gains on disposal of assets	17	51
Total other revenues	**828**	**2,431**

As of March 31, 2024, the item "Other miscellaneous" mainly consists of revenues deriving from the sale of consumables.

The item "Revenue from tax credits accrued" at 31 March 2023 contained the contribution relating to the tax credit for electricity and gas accrued by the Group companies for 1,254 thousand euros. This measure was introduced by the Italian Government to mitigate the impacts on businesses resulting from the increase in energy costs and the Group companies benefited from it starting from the second half of 2022 until 31 December 2023.
As of March 31, 2024, the item contains the relevant share of tax credits on capital goods accrued in previous years. From an accounting point of view, these contributions are recognized in the income statement with a systematic criterion, gradually over the useful life of the assets according to the indirect method, which involves attributing to the income statement under the other revenues item the accrued share accrued according to the plan depreciation of the related assets and defer future amounts to subsequent years with the recognition of specific deferred income.

3. Purchase of goods for resale and consumables

The item consists of:

(€thousand)	1st quarter 2024	1st quarter 2023
Purchase of goods	366,436	380,486
Purchase of packages and packing material	1,182	1,193
Purchase of stationery and printed paper	195	198
Purchase of promotional and sales materials and catalogues	33	42
Purchase of various materials	118	169
Discounts and rebates from suppliers	(11,778)	(11,600)
Fuel for industrial motor vehicles and cars	266	234
Total purchase of goods for resale and consumables	356,452	370,722

Regarding the trend in the cost of purchasing goods intended for marketing, please refer to the Directors' Report and the related comment on the first margin.

The item "Discounts and commercial allowances from suppliers" included 2,470 thousand euros (2,593 thousand euros at 31 March 2023) for the amount of bonuses recognized by suppliers upon reaching certain turnover and purchase volume targets and 9,301 thousand of euros (8,975 thousand euros at 31 March 2023) the amount of contributions received from suppliers for the promotional and marketing activities carried out by the Group for them. At the balance sheet level, premiums and contributions from suppliers are exposed as a decrease in the Current Commercial Liabilities item.

4. Personnel costs

Labor costs amounted to 11,827 thousand euros (11,549 thousand as at 31 March 2023) and include all expenses for employees, including accrued holidays and additional monthly payments as well as the related social security charges, in addition to the provision for severance pay and other contractually agreed costs.
The increase is related to the increase in the workforce which went from 970 headcounts as of 31 March 2023 to 1,020 units as of 31 March 2024 mainly due to the effect of the new hires made by the parent company MARR S.p.A. for the strengthening of some company functions and for the transfer to the subsidiary Cremonagel S.r.l. of 16 employees.

The maintenance of a careful resource management policy remains confirmed, with particular reference to the management of vacation and leave hours and overtime hours.

The renewal of the CCNL for Trade which expired on 31 July 2019 was signed on 22 March 2024, valid until 2027.

5. Amortizations, depreciation and provisions

The entry is made up of:

(€thousand)	1st quarter 2024	1st quarter 2023
Depreciation of tangible assets	1,978	1,850
Depreciation of right of use	3,093	2,906
Amortization of intangible assets	178	150
Adjustment to provision for supplementary clientele severance indemnity	330	175
Allocation of provision for risks and losses	75	150
Total amortization, depreciation and provisions	5,654	5,231

It should be noted, as detailed in the table above, that the item "Depreciation" included the amortization of the right of use deriving from the application of IFRS 16 for the amount of 3,093 thousand euros.

6. Losses due to reduction in value of financial assets measured at amortized cost

The entry is made up of:

(€thousand)	1st quarter 2024	1st quarter 2023
Allocation of taxable provisions for bad debts	2,560	2,035
Allocation of non-taxable provisions for bad debts	900	1,336
Total Losses due to impairment of financial assets	3,460	3,371

The item includes the provision for bad debts for adjustment to the presumed realizable value.

7. Other operating costs

The details of the main items of "Other operating costs" are given below:

(€thousand)	1st quarter 2024	1st quarter 2023
Operating costs for services	56,094	55,350
Operating costs for leases and rentals	192	140
Operating costs for other operating charges	428	456
Total other operating costs	56,714	55,946

The item "Operating costs for services" mainly included the following items: costs of selling, handling and distributing our products for 46,947 thousand euros (45,792 thousand euros in the first quarter of 2023), costs for utilities for 3,057 thousand euros (4,034 thousand euros in the first quarter of 2023), costs for third-party work of 699 thousand euros (808 thousand euros in the first quarter of 2023) and maintenance costs of 1,781 thousand euros (1,608 thousand euros in the first quarter of 2023).

The costs for the use of third-party assets amounted to a total of 192 thousand euros (140 thousand euros in the same period of 2023) and refer to lease contracts with a duration of less than one year not falling within the scope of application of the IFRS.

Operating costs for other management costs mainly included the following items: "other indirect taxes, fees and similar charges" for 205 thousand euros (179 thousand euros in the first quarter of 2023), "expenses for debt collection" for 55 thousand euros (57 thousand euros in the first quarter of 2023), and "municipal taxes and fees" for 118 thousand euros (81 thousand euros in the first quarter of 2023).

8. Financial income and charges

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

(€thousand)	1st quarter 2024	1st quarter 2023
Financial charges	5,609	3,940
Financial income	(777)	(194)
Foreign exchange (gains)/losses	(301)	237
Total financial (income) and charges	4,531	3,983

The item "Financial charges" included interest expense of 573 thousand euros deriving from the application of IFRS 16 (590 thousand euros at 31 March 2023). Net of this amount, which remains in line with the same period of the previous year, financial charges show an increase related to the increase in the cost of money.

The net effect of the exchange balances mainly reflects the performance of the Euro compared to the US Dollar, the reference currency for non-EU imports.

9. Taxes

The table below provides evidence of the charge for current, prepaid and deferred taxes.

(€thousand)	1st quarter 2024	1st quarter 2023
Ires/Ires charge transferred to Parent Company	1,115	682
Irap	493	366
Net provision for deferred taxes	(355)	(343)
Total taxes	**1,253**	**705**

As of March 31, current, prepaid and deferred income taxes amounted to 1,253 thousand euros (705 thousand euros as of March 31, 2023). The tax rate goes from 32.41% to 42.03% and the increase is associated with the fact that from 1 January 2024 the repeal of the Economic Growth Assistance (ACE) was ordered, which led to the impossibility to make the deduction linked to the notional return on equity. Furthermore, in the comparison with the same period of the previous financial year, it should be noted that in the last first quarter of 2023, 1,259 thousand euros of contributions for tax credit for electricity and gas were recorded in other revenues which did not contribute to the formation of income or for the purposes IRES, nor for IRAP purposes.

10. Earnings per share

The calculation of basic and diluted earnings per share looks like this:

(Euros)	1st quarter 2024	1st quarter 2023
Basic Earnings Per Share	0.03	0.02
Diluted Earnings Per Share	0.03	0.02

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

Result of the period:

(€thousand)	1st quarter 2024	1st quarter 2023
Net result of the period	1,728	1,470
Minority interests	0	0
Result used to determine basic and diluted earnings per share	**1,728**	**1,470**

Number of shares:

(number of shares)	1st quarter 2024	1st quarter 2023
Weighted average number of ordinary shares used to determine basic earning per share	65,353,555	66,325,386
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	**65,353,555**	**66,325,386**

11. Other profits/losses

The value of the other profits/losses contained in the consolidated comprehensive income statement refers to the effective part of the operations implemented to cover the risk of changes in the interest rate on two medium-long term financing contracts.

These profits/losses were accounted for, consistently with the provisions of the IFRS, in equity and highlighted (as required by IAS 1 revised, applicable from 1 January 2009) in the statement of overall consolidated economic result.

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Rimini, 14 May 2024

For the Board of Directors

The Chairman

Andrea Foschi

Appendices

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

- Appendix I Reconciliation of liabilities arising from financing activities as of March 31, 2024 and March 31, 2023.

Appendix | RECONCILIATION OF LIABILITIES DERIVING FROM FINANCING ACTIVITIES AS AT MARCH 31, 2024 AND AS AT MARCH 31, 2023

			Non-financial changes				
	31/03/2024	Cash flows	Other changes/ reclassifications	Acquisition	Exchange rates variations	Fair value variation	31/12/2023
Current payables to bank	15,128	(29,571)	0	0	0	0	44,699
Current portion of non current debt	65,219	(9,568)	4,705	0	0	0	70,082
Current payables for hedging financial instruments	3	0	0	0	0	3	0
Current financial payables for bond private placement in Euros	267	(697)	285	0	0	0	679
Current financial payables for purchase of shares of Frigor Carni S.r.l.	1,000	(1,200)	0	0	0	0	2,200
Current financial payables for IFRS 16 lease contracts	12,103	(3,451)	3,728	0	0	0	11,826
Total current financial payables	93,720	(44,487)	8,718	0	0	3	129,486
Current receivables for hedging financial instruments	0	0	0	0	0	2	(2)
Total current receivables financial instruments	0	0	0	0	0	2	(2)
Non-current payables to bank	174,150	21,333	(4,716)	0	0	0	157,533
Non-current receivables for hedging financial instruments	(466)	0	0	0	0	(340)	(126)
Non-current financial payables for bond private placement in Euros	99,916	0	13	0	0	0	99,903
Non-current financial payables for IFRS 16 lease contracts	67,153	0	(2,663)	0	0	0	69,816
Total non-current financial payables	340,753	21,333	(7,366)	0	0	(340)	327,126
Non-current payables for hedging financial instruments	0	0	0	0	0	(68)	68
Total non-current financial instruments	0	0	0	0	0	(68)	68
Total liabilities arising from financial activities	434,473	(23,154)	1,352	0	0	(403)	456,678

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	(21,954)
Other changes/ reclassifications, included the acquisition	1,352
Exchange rates variations	0
Fair value variation	(403)
Total detailed variations in the table	(21,005)
Other changes in financial liabilities	(29,980)
Net change in financial payables (IFRS16)	(2,387)
New non-current loans received	22,000
Net change in derivative/financial instruments	(403)
Non-current loans repayment	(10,235)
Total changes shown between financing activities in the Cash Flows Statement	(21,005)

	31/03/2023	Cash flows	Non-financial changes				31/12/2022
			Other changes/ reclassifications	Acquisition	Exchange rates variations	Fair value variation	
Current payables to bank	67,186	51,302	0	0	0	0	15,884
Current portion of non current debt	66,110	(42,820)	9,092	0	0	0	99,838
Current financial payables for bond private placement in Euros	267	(697)	285	0	0	1	678
Current financial payables for purchase of shares of Frigor Carni S.r.l.	1,700	0	0	0	0	0	1,700
Current financial payables for purchase of shares of Antonio Verrini S.r.l.	2,000	0	0	0	0	0	2,000
Current financial payables for IFRS 16 lease contracts	11,153	(3,282)	3,622	0	0	0	10,813
Current financial payables for dividends approved and not distributed (year 2022)	0	(148)	0	0	0	0	148
Total current financial payables	148,416	4,355	12,999	0	0	1	131,061
Current payables/(receivables) for hedging financial instruments	17	0	0	0	0	17	0
Total current financial instruments	17	0	0	0	0	17	0
Non-current payables to bank	120,112	9,411	(9,068)	0	0	0	119,769
Non-current financial payables for bond private placement in Euros	99,889	0	0	0	0	15	99,874
Non-current financial payables for IFRS 16 lease contracts	67,134	0	(1,302)	0	0	0	68,436
Non-current financial payables for purchase of quotas or shares	500	0	0	0	0	0	500
Total non-current financial payables	287,635	9,411	(10,370)	0	0	15	288,579
Non-current payables/(receivables) for hedging financial instruments	0	0	0	0	0	0	0
Total non-current financial instruments	0	0	0	0	0	0	0
Total liabilities arising from financial activities	**436,068**	**13,766**	**2,629**	**0**	**0**	**33**	**419,640**

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	13,766
Other changes/ reclassifications, included the acquisition	2,629
Exchange rates variations	0
Fair value variation	33
Total detailed variations in the table	**16,428**
Other changes in financial liabilities	50,947
Distribution of dividends (year 2022)	(148)
Net change in financial payables (IFRS16)	(962)
New non-current loans received	10,000
Net change in derivative/financial instruments	0
Non current loans repayment	(43,409)
Total changes shown between financing activities in the Cash Flows Statement	**16,428**

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

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

Rimini, 14 May 2024

Pierpaolo Rossi
Manager responsible for the drafting
of corporate accounting documents