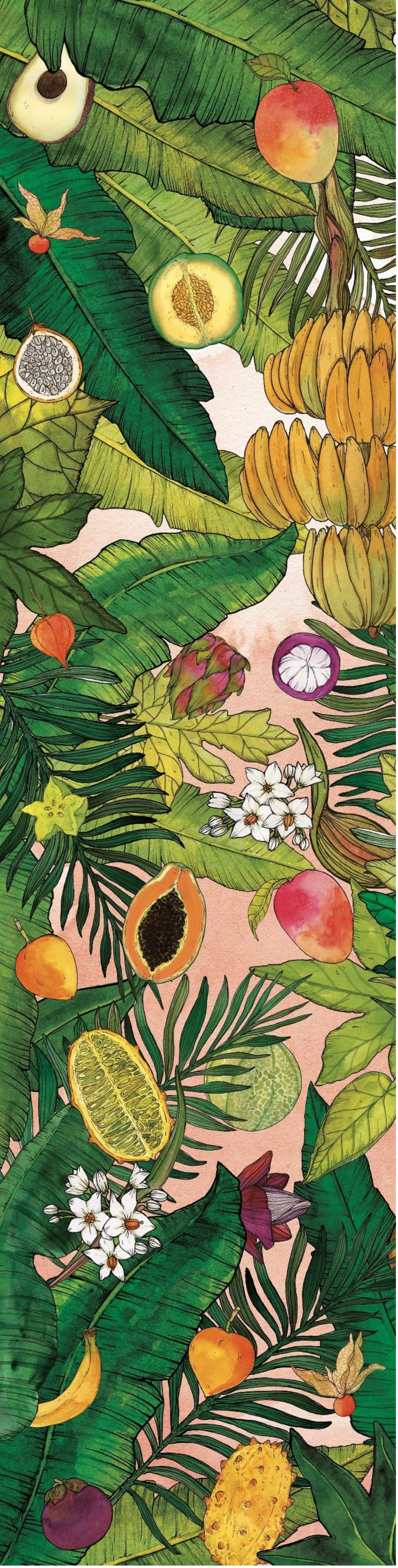


GRUPPO
ORSERO

2021 FINANCIAL REPORT

E-MARKET SDIR CERTIFIED

Contents


F.lli Orsero QUALITÀ
GRUPPO ORSERO
La sostenibilità non cresce sugli alberi.
È il risultato di impegni concreti per raggiungere i nostri obiettivi rispettando le persone e l'ambiente.
Rilanciamo il nostro impegno con una nuova strategia di sostenibilità. Creando valore nel medio-lungo periodo in maniera etica, sviluppiamo filiere più responsabili, riduciamo il nostro impatto sul pianeta, favoriamo un'alimentazione più sana e riconosciamo il valore delle persone.
Abbracciamo queste sfide con orgoglio, perché creando valore per tutti avviciniamo il mondo, ogni giorno.
www.orserogroup.it

Dear readers,
In 2021, our Group decided to define a Strategic Sustainability Plan, with the aim of combining corporate growth with social and environmental sustainability.

We are convinced that it is necessary to continue to grow and create value, but according to criteria of greater responsibility, reducing the environmental and social impacts of our activities to seek to guarantee better living conditions for people today, but also and above all for future generations.

Ethical business conduct and value creation in the medium and long term are the basis on which we have defined our strategy.

We selected four macro-areas to work on that we feel are most relevant to what we do and where we think we can really take concrete action:

- Developing responsible supply chains
- Reducing our impact on the planet
- Promoting healthy and sustainable nutrition
- Recognizing the value of people

Based on these areas, we have developed 11 concrete objectives we will strive to reach.

All of the objectives will be reported on annually taking into account the results progressively achieved, and the strategy will be updated according to new demands emerging from the external and internal context of the Group, in order to always meet the needs of our stakeholders.

The Strategic Plan has been approved by the Board of Directors of Orsero S.p.A. and is available in the Sustainability section of our website www.orserogroup.it.

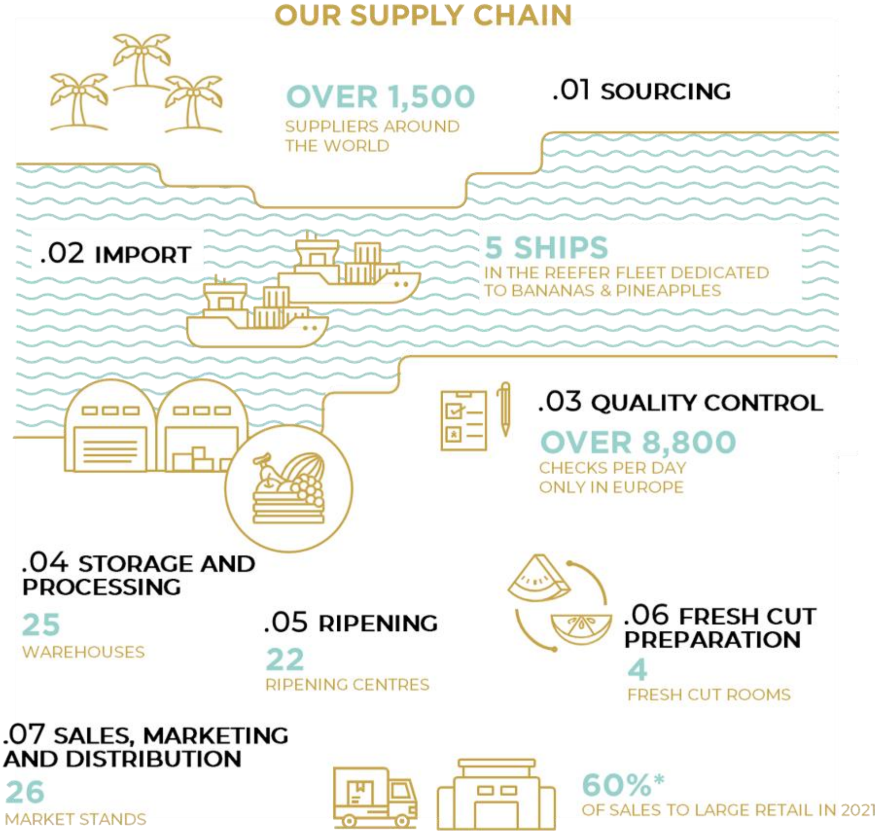
Raffaella Orsero and Matteo Colombini

BUSINESS MODEL

FROM ALL FOUR CORNERS OF THE PLANET TO YOUR TABLE, IN EVERY SEASON

The world has changed since we first started working in the fresh fruit and vegetable section, but one **essential principle** has remained the same for us. Our **constant focus on quality**. We now manage and monitor the entire **value chain**, allowing us to achieve excellence and ensure safety and security at every stage and thus maintaining the freshness and quality of our products.

OUR SUPPLY CHAIN



*aggregate value of sales in the Group's European Distribution division.

E-MARKET SDIR CERTIFIED

Key economic, equity and financial data

Economic data:

Thousands of euro	31.12.2021	31.12.2020
Net sales	1,069,776	1,041,535
Adjusted Ebitda*	52,929	48,404
% Adjusted Ebitda	4.9%	4.6%
Adjusted Ebit	25,526	22,414
Ebit	23,125	18,763
Profit/loss	18,508	12,269
Profit/loss attributable to non controlling interests	219	52
Profit/loss attributable to Owners of Parent	18,290	12,217
Adjusted profit/loss	19,093	13,979

* Adjusted Ebitda: it's determined by adding to the Operating Result (EBIT) the amounts for depreciation, amortization, and provisions, and excluding non-recurring costs/income and costs related to the Top management incentives

Equity data:

Thousands of Euro	31.12.2021	31.12.2020
Net Invested Capital	260,199	263,423
Capital and reserves attributable to Parent Company	175,186	159,617
Non-Controlling Interest	668	494
Total Shareholders' Equity	175,854	160,111
Net Financial Position	84,346	103,311

Main indicators:

	31.12.2021	31.12.2020
Group ROE	11.66%	8.29%
ROI	9.81%	8.51%
Net Financial Position/Total Shareholders' Equity	0.48	0.65
Net Financial Position/Adjusted Ebitda	1.59	2.13
Main indicators without IFRS 16 effect		
Net Financial Position/Total Shareholders' Equity	0.26	0.46
Net Financial Position/Adjusted Ebitda	1.00	1.84

Cash flow data:

Thousands of Euro	31.12.2021	31.12.2020
Profit/loss	**18,508**	**12,269**
Cash flow from operating activities	55,083	37,993
Cash flow from investing activities	(33,351)	(10,981)
Cash flow from financing activities	(7,177)	(43,086)
Increase/decrease in cash and cash equivalent	14,555	(16,074)
Net cash and cash equivalents,at beginning of the year	**40,489**	**56,562**
Net cash and cash equivalents,at end of the year	**55,043**	**40,489**

Economic and equity data and indicators without the effect of IFRS 16:

Thousands of Euro	31.12.2021	31.12.2020
Adjusted Ebitda	45,266	40,406
% Adjusted Ebitda	4.2%	3.9%
Financial income and expense (Without exchange rate differences)	(2,437)	(2,786)
Total Shareholders' Equity	176,596	160,669
Net Financial Position	45,285	74,437
Main indicators		
Net Financial Position/Total Shareholders' Equity	0.26	0.46
Net Financial Position/Adjusted Ebitda	1.00	1.84

The tables above provide initial preliminary details of the Group business trend in 2021, fully described later on in the dedicated sections of this report.

ESEF Financial Statements

The Group has prepared the consolidated financial statements as at December 31, 2021 in the single electronic reporting format (ESEF) by applying the provisions of Delegated Regulation (EU) 2019/815 endorsed by the legislature with Italian Law no. 21 of February 26, 2021, which converted Italian Decree Law 183/2020 ("Milleproroghe" Decree).

Orsero S.p.A. corporate information

Registered Office:

Orsero S.p.A.
Corso Venezia 37,
20121 Milan, Italy

Legal data:

Share capital (Euro): 69,163,340
No. of ordinary shares with no par value: 17,682,500
Tax ID and Milan Register of Companies enrollment no.: 09160710969
Milan Chamber of Commerce enrollment no. R.E.A. 2072677
Company websitewww.orserogroup.it

Composition of Orsero S.p.A. corporate bodies

Orsero S.p.A., Parent Company of the Orsero Group, adopted the "traditional system" of management and control.

Board of Directors[1]:

Paolo Prudenziati	Non-Executive Chair
Raffaella Orsero	Deputy Chair, Chief Executive Officer (CEO)
Matteo Colombini	Chief Executive Officer (Co-CEO, CFO)
Carlos Fernández Ruiz	Director
Armando Rodolfo de Sanna[2]	Independent Director
Vera Tagliaferri[2]	Independent Director
Laura Soifer[2]	Independent Director
Elia Kuhnreich[3][4]	Independent Director
Riccardo Manfrini[3][4]	Independent Director

Board of Statutory Auditors[5]:

Giorgio Grosso[4]	Chairman
Michele Paolillo	Statutory Auditor
Elisabetta Barisone	Statutory Auditor
Michele Graziani[4]	Alternate Auditor
Paolo Rovella	Alternate Auditor

Control and Risks Committee[6]:

Vera Tagliaferri	Chair
Armando Rodolfo de Sanna	Member
Riccardo Manfrini	Member

Remuneration and Appointments Committee[6]:

Armando Rodolfo de Sanna	Chair
Vera Tagliaferri	Member
Paolo Prudenziati	Member

Related Parties Committee[6]:

Laura Soifer	Chair
Vera Tagliaferri	Member
Elia Kuhnreich	Member

Independent Auditors:

KPMG S.p.A.

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[1] The Board of Directors, consisting of nine members, was appointed by the Shareholders' Meeting on April 30, 2020 and shall remain in office until the date of approval of the financial statements at December 31, 2022.
[2] Declared, on submission of the list for the appointment of the Board of Directors, that he/she meets the independence requirements set forth in Articles 147-ter, par. 4 and 148, par. 3 of the Consolidated Law on Finance (TUF) and Art. 3 of the Corporate Governance Code of listed companies.
[3] Declared, on submission of the list for the appointment of the Board of Directors, that he/she meets the independence requirements set forth by law and the articles of association.
[4] Taken from the list submitted jointly by funds managed by Praude Asset Management Limited.
[5] The Board of Statutory Auditors, consisting of three statutory auditors and two alternates, was appointed by the Shareholders' Meeting on April 30, 2020 and shall remain in office until the date of approval of the financial statements at December 31, 2022.
[6] The members of the Remuneration and Appointments, Related Parties and Control and Risks committees were appointed by the Board of Directors on May 6, 2020 and shall remain in office until the date of approval of the financial statements at December 31, 2022.

Group Structure

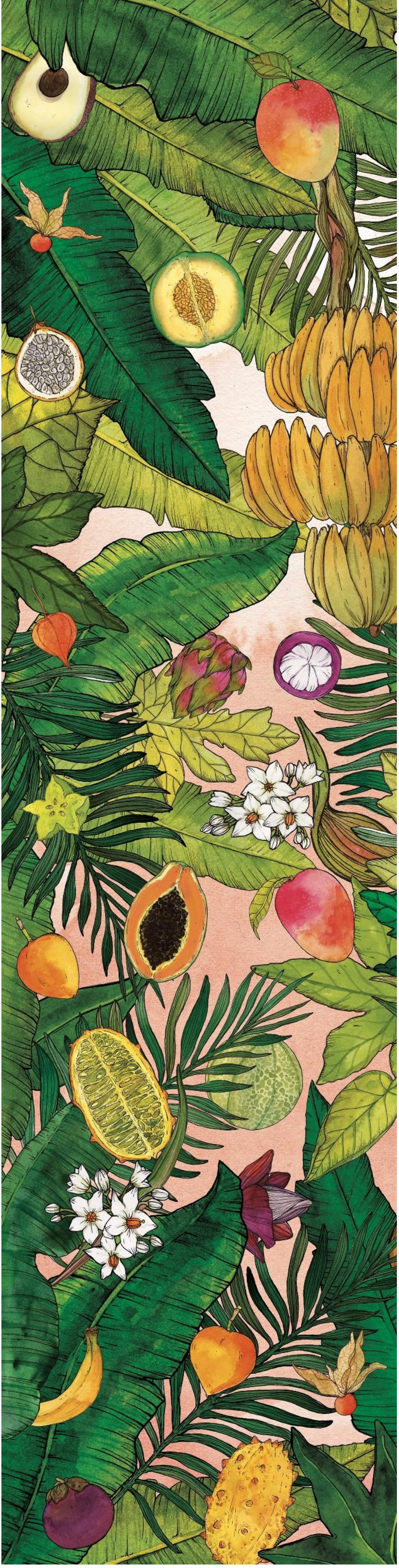
SHIPPING	DISTRIBUTION		HOLDING & SERVICES
COSIARMA -ITALY-	FRUTTITAL -ITALY-	H.NOS FERNÁNDEZ LÓPEZ -SPAIN-	ORSERO SPA -ITALY-
ORSERO CR -COSTA RICA-	FRUTTITAL FIRENZE -ITALY-	AZ FRANCE -FRANCE-	FRESCO FORW. AGENCY -ITALY-
	GALANDI -ITALY-	FRUTTICA -FRANCE-	ORSERO SERVIZI -ITALY-
	AGRICOLA AZZURRA -ITALY 50%-	EUROFRUTAS -PORTUGAL-	FRUPORT -SPAIN 49%-
	SIMBA -ITALY-	BELLA FRUTTA -GREECE-	
	SIMBACOL -COLOMBIA-	COMM. DE FRUTA ACAPULCO -MEXICO-	
		BONAORO -SPAIN 50%-	

Summary representation of the Group. For a complete list of Group companies, please refer to the paragraph "Consolidation policies and scope of consolidation" of the Notes.

Alternative performance indicators

In this annual financial report, certain economic/financial indicators are presented and analyzed that are not defined as accounting measures by IAS-IFRS, but which make it possible to discuss the Group's business. These figures, explained below, are used to comment on the performance of the Group's business in the sections "Key economic, equity and financial data", "Directors' Report on Operations" and in the "Notes", in compliance with the provisions of the Consob Communication of July 28, 2006 (DEM 6064293) and subsequent amendments and supplements (Consob Communication no. 0092543 of December 3, 2015 implementing the ESMA/2015/1415 guidelines).
The alternative performance indicators listed below should be used as a supplement to those provided in accordance with IAS-IFRS to assist users of the financial report in better understanding the Group's economic, equity and financial performance. It should be emphasized that the criterion used by the Group may not be the same as that adopted by other groups and thus the figure obtained may not be comparable with that determined by these other groups.
The definitions of the alternative performance indicators used in the Annual Report are as follows:
EBIT: the operating result.
Adjusted EBITDA: the Operating Result (EBIT) including depreciation, amortization, and provisions, however excluding non-recurring costs/income and costs related to Top Management incentives.
Adjusted EBIT: the Operating Result excluding non-recurring costs/income and costs related to Top Management incentives.
Current profit/loss for the year: used for a comparison in terms of total consolidated result, represents the profit/loss net of non-recurring income and expense, inclusive of the relative taxes. As such, this indicator provides useful and immediate information on the profit trends for the year without considering non-recurring components.
Fixed assets: calculated as the sum of the following items: goodwill, intangible assets other than goodwill, property, plant and equipment, investments accounted for using the equity method, non-current financial assets, deferred tax assets. Any fair value of hedging derivatives included in the item "non-current financial assets" should be excluded from these items.

Net working capital: calculated as the sum of inventories, trade receivables and trade payables.
Other receivables and payables: the sum of the following items: current tax assets, other receivables and other current assets, non-current assets held for sale, other non-current liabilities, deferred tax liabilities, provisions, employees benefits liabilities, current tax liabilities, other current liabilities and liabilities directly associated with non-current assets held for sale. Any fair value of hedging derivatives and current financial assets included in the item "other receivables and other current assets" should be excluded from these items.
Net working capital: is calculated as the algebraic sum of net working capital and other receivables and payables.
Net invested capital (NIC): calculated as the algebraic sum of net working capital, fixed assets, and other receivables and other payables, as defined above. This indicator represents the capital "Requirements" necessary for the company's operation at the reporting date, financed through the two components, Capital (Shareholders' Equity) and Third-party Funds (Net Financial Position).
Net financial position (NFP), or also "Total Financial Indebtedness" in the ESMA definition: calculated as the algebraic sum of the following items: cash and cash equivalents, non-current/current financial liabilities, which also include payables associated with acquisition prices still to be paid and the positive/negative fair value of hedging derivatives and current financial assets recorded under the item "other receivables and other current assets".
ROI: calculated as the ratio between Adjusted EBIT and Net invested capital.
Group ROE: calculated as the ratio between the profit/loss attributable to the shareholders of the parent company and the shareholders' equity attributable to the shareholders of the parent company.



Directors' Report on Operations

Significant events during the year

The most significant events that took place in 2021 are reported below, which mainly consist, as far as Orsero is concerned, of (i) the distribution of the dividend on the 2020 result, (ii) the resolution on the remuneration policy, (iii) the authorization to purchase and dispose of treasury shares, (iv) the purchase of a 50% stake in the company Agricola Azzurra; from the Group's point of view, of (v) the sale of the warehouse owned by Fruttital located in Milan and the sale of the warehouse in Porto, (vi) the two-year lease of the fifth ship used by Cosiarma and (vii) the continuous monitoring of the effects of Covid-19.

Distribution of the ordinary dividend

The Shareholders' Meeting of April 29, 2021 resolved, accepting the proposal by the Board of Directors, to distribute an ordinary monetary dividend of Euro 0.20 per share, gross of withholding taxes, for each existing share entitled to receive a dividend, thus excluding from the calculation 152,514 treasury shares held by the company, for a total dividend of Euro 3,506 thousand. The ex-dividend date was May 10, 2021, the record date was May 11 and payments began on May 12, 2021.

Resolution on the remuneration policy

The Shareholders' Meeting of April 29, 2021 approved with a broad majority with an advisory vote pursuant to the law the Remuneration Report (Section II) and on the compensation paid in 2020 to the Board of Directors, the Board of Statutory Auditors and the Group's strategic and senior managers.

Authorization to purchase and dispose of treasury shares

The Shareholders' Meeting of April 29, 2021 authorized the Board of Directors to purchase and dispose of Orsero's ordinary treasury shares, subject to revocation of the previous authorization for the portion not executed, pursuant to the joint provisions of Articles 2357 and 2357-ter of the Italian Civil Code, and Article 132 of Legislative Decree 58/1998 as amended (the "Consolidated Law on Finance") and the relative implementing provisions. The objective of renewing this authorization is to confirm the possibility for the Company to have a useful strategic investment opportunity for all purposes permitted by the applicable provisions, including therein the purposes set out in art. 5 of Regulation (EU) no. 596/2014 (Market Abuse Regulation, "MAR"), and in the practices permitted by law under art. 13 of the MAR, when applicable. In line with the prior authorization, the new authorization is for a period of 18 months for the purchase, including in several tranches, of a maximum number of shares which, taking account of the shares of the Company held in the portfolio from time to time, does not, on the whole, exceed a maximum of Euro 2 million. The authorization to dispose of treasury shares has no time limitation. Purchases may be made at a unit consideration of no more than 20% lower and no more than 10% higher than the arithmetic mean of the official prices recorded by Orsero shares on the MTA market in the 10 open stock market days prior to the individual transaction.
During 2021, and more precisely in the months from September to December, the company proceeded, as duly anticipated by means of press releases dated September 20 and November 11, to purchase a total of 150,000 Orsero shares for an outlay of Euro 1,631 thousand, for an average book value of Euro 10.87 per share.
Following these purchases, at December 31, 2021 Orsero holds 302,514 treasury shares equal to 1.71% of the share capital.

Top Management incentive remuneration - 2020-2022 LTI Plan and 2021 Top Managers bonuses

In line with the best market practices adopted by listed companies at national and international level, the Company believes that remuneration plans linked to share value performance are an effective incentive and loyalty tool for key players in order to maintain and improve performance and contribute to the growth and success of companies. The adoption of remuneration plans linked to share performance also responds to the recommendations of the Corporate Governance Code, Art. 6 of which recognizes that these types of plans represent a suitable instrument for aligning the interests of executive directors and managers with strategic responsibilities of listed companies with those of shareholders, allowing the priority objective of creating value over the medium to long term. The establishment of incentive remuneration mechanisms is expressly required by stock exchange regulation for companies belonging to the STAR segment of the MTA. The "2020-2022 Long-Term Monetary Incentive Plan" therefore aims to stimulate the maximum alignment of Beneficiaries' interests with the pursuit of the priority objective of sustainable creation of value for shareholders in the medium-long term. In particular, it makes it possible to pursue the following objectives: 1) to reward the short- and long-term performance of the Orsero Group as well as strengthen the alignment between the interests of management and those of shareholders, directing behavior towards the sustainability of performance and the achievement of defined objectives; 2) to develop retention policies aimed at retaining key corporate resources and encouraging them to remain with the Group; 3) to develop policies to attract talented managerial and professional figures. The Plan recognizes within the remuneration structure of the beneficiaries a monetary economic incentive related to the achievement of certain performance and value creation objectives for shareholders, subject to the fulfillment of the access conditions ("Gate") and the continuation of employment with the Orsero Group. Although the Plan does not provide for the assignment of financial instruments, but rather only the attribution of monetary incentives, it does establish that a part of these incentives shall be indexed to the yield of the Company's securities, which is why the Plan itself is subject to the rules set out in Article 114-bis of the Consolidated Law on Finance for plans that provide for the assignment of financial instruments, as applicable. For details about the Plan, please refer to the governance section of the website https://www.orserogroup.it/governance/remunerazione/

As already pointed out in the previous report, the deferred LTI bonus for Top Management requires a special form of accounting which, in accordance with IFRS 2, breaks down the cost of the bonuses accrued in each year of the Plan on the basis of the "vesting period" of (i) three years until 12-31-2022 for the bonus tranche accrued on condition that the beneficiary remains with the company as at January 1, 2023, and (ii) four years, for the bonus tranche accrued on condition that the beneficiary remains with the company as at January 1, 2024. As a result of this method of accounting, which causes the cost for the deferred bonus accrued in 2020 to be spread over the three and four years of the vesting period, that of 2021 over two and three years and that of 2022 over one and two years, there is a clear effect of accelerating the economic impact on the accounts for the three-year period 2020-2022, as well as differentiation regarding the amounts for the LTI deferred bonus, as indicated each year in the Remuneration Report.

With reference to the 2021 financial year, the incentives accrued by Top Management represent a cost of Euro 1,866 thousand divided into Euro 852 thousand for MBO (bonus component that will be paid following approval of the 2021 financial statements) and Euro 1,014 thousand for LTI (deferred bonus component, payable in two equal tranches in 2023 and 2024, subject to the condition that the beneficiaries remain in the company during the reference period, the "vesting period", and indexed to the performance of the Orsero share price).

Taking into account the mechanism described above, the cost of Top Management incentives accrued in 2021, totaling Euro 1,753 thousand, is determined as follows:

- Euro 852 thousand for the MBO portion payable after approval of the 2021 financial statements;
- Euro 276 thousand for the portion of the 2020 LTI bonus payable in 2023;
- Euro 203 thousand for the portion of the 2020 LTI bonus payable in 2024;
- Euro 253 thousand for the portion of the 2021 LTI bonus payable in 2023;
- Euro 169 thousand for the portion of the 2021 LTI bonus payable in 2024.

It should be noted that for the 2020 LTI bonus the shares revaluation has already been taken into account, to the maximum extent of 40% provided for by the Plan, on the base bonus determined by the growth in the Orsero average share price equal, in the second half of 2021, to Euro 10.08, more than 1.6 times the average price in the second half of 2020, of Euro 6.08.

Acquisition of 50% of the company Agricola Azzurra

As mentioned in SDIR's press releases of September 28 and October 4, a 50% stake in Agricola Azzurra S.r.l., a company specializing in the wholesale distribution of fruit and vegetables of Italian origin, was purchased on October 4. With this initiative, the Group intends to develop its presence in this sector, aiming to achieve, together with the partner in this operation, a leading position in the marketing of Italian agricultural products in Italy.
The acquisition price, equal to Euro 7,322 thousand, reflects the value of (i) the company's 2021 EBITDA, (ii) the prospective value deriving from the commercial relationships contributed by the Group between October 1, 2021 and September 30, 2022 and (iii) the company's Net Financial Position as at September 30, 2021.
By the 2022 deadline, the final acquisition value may be subject to upward and/or downward adjustments based on the actual values of the above parameters.
This adjustment, without prejudice to the other parameters, may amount to a maximum of a Euro 3,212 thousand increase in the consideration in the event that the value of the benefit of the commercial relations contributed by the Group were to be nil. During the valuation of the financial statements, in light of the results achieved in the fourth quarter of 2021, the estimate made at the time to determine the fair value of the acquisition, amounting to Euro 7,322 thousand, was confirmed.
In the consolidated financial statements of the Orsero Group, the investment in this associated company is valued using the equity method and includes an excess cost of Euro 6,034 thousand. The value of the equity investment was tested for impairment, with a positive outcome.

Sale of the ex Fruttital warehouse in Milan and ex Eurofrutas warehouse in Porto

As indicated in previous interim reports, on July 13 the deed was drawn up for the sale of the warehouse owned by Fruttital S.r.l. located in Milan, which is no longer part of the Group's operating strategies, for an amount of Euro 4.2 million, realizing a gross capital gain of Euro 1.5 million. As part of the restructuring/increase in the efficiency of the operating structure in Portugal, the Porto warehouse was sold, generating a loss of Euro 0.2 million and centralizing the fruit storage and banana ripening functions at the Alverca warehouse in order to improve production efficiency.

Two-year charter of the fifth ship used by Cosiarma

Towards the end of the year, in the Shipping sector, a two-year charter agreement was finalized for the years 2022 and 2023, instead of the annual contracts entered into to date, with the aim of further stabilizing the use of the fifth non-owned vessel used to transport fruit on Central American/Mediterranean routes. In accordance with IFRS 16, this entailed recognition of the “right of use” value of the asset, substantially equal to the rental fees for the two-year period, and the corresponding financial payable, amounting to Euro 9.9 million. As the ship began operations at year end on a voyage which, concluding in 2022, records revenues and costs as accruing in that year, on the current 2021 financial statements there is no economic effect but only an effect on

the balance sheet, with the recognition of the right of use value and the corresponding financial payable.
It should be noted that this significant increase in the NFP 2021 will correspond to an equally significant increase compared to the past in the Adjusted EBITDA for the years 2022 and 2023 of Euro 5 million on an annual basis, as the cost of chartering the ship will be replaced by higher depreciation and financial expenses, without however generating any significant effect on the net result for the year.

Effects of the Covid-19 epidemic

The year 2021 saw the continued presence of the Covid-19 pandemic which, as already reported in the financial report for the year ended December 31, 2020, given the nature of the Group's business linked to the marketing of essential food products, has not had any particular effects on its activities, at least up to now, in terms of sales and results. Therefore, referring to Consob warning in note 1/21 of February 16, 2021 and the ESMA recommendation of October 28, 2020, the absence of a significant impact on the Group's accounts of the Covid-19 epidemic has not called into question the going concern assumption, let alone resulted in the deterioration of future economic prospects with ensuing impacts on the Group's assets.
The most relevant impacts continue to be at operational level, where the necessary safeguards and precautions are continuing to be applied to employees and third parties in warehouses and markets as well as in offices and aboard ships, in order to reduce the health risk of contagion. The companies thus continued to implement the safety protocols outlined by the Authorities to regulate entries and interpersonal contact within their operating platforms and offices, carry out the necessary sanitization activities and provide personal protection equipment. All personnel, both internal and external, have continued to collaborate fully, to ensure the effective handling of our products within the warehouses.
In economic terms, up to the end of 2021, the costs associated with the purchase of personal protection equipment and sanitization services totaled Euro 300 thousand.
The Group’s management is also still continuously monitoring the situation from the financial and commercial as well as the organizational standpoint, as well as the treasury situations relating to collections from customers and, lastly, any aid measures in favor of businesses under discussion by the governmental authorities of each country to best evaluate the investment policy.

Trade Working Capital

During the first half of the year, as part of a broader project to reduce trade working capital and improve the efficiency of credit collection activities, the Group agreed upon and activated a working capital management transaction with a leading bank for the sale of certain trade receivables due from several large retail customers in Europe. With this operation, the Group finished diversifying its sources of structured financing with the advantage of being able to rapidly obtain the necessary resources to meet the Group's needs from the market or the banking system, while being able to flexibly use from time to time the most effective instrument depending on the type of investment and also balancing the cost of funding.

Other significant events during the year

Investments during the period

During 2021 investments were made in intangible assets other than goodwill and in property, plant and equipment for a total of Euro 31,223 thousand, including Euro 17,677 thousand for “rights of use” pursuant to IFRS 16, primarily connected with the two-year lease of the fifth ship, as described above, and the new headquarters in Milan.

Initiative against food waste

It has always been part of the Orsero Group's philosophy to pursue the following principle: "To defend the value of every single product and follow best practices to avoid the waste of a precious resource like food" and therefore it has formed a partnership with the European Food Banks Federation (FEBA) and the Banco Alimentare Onlus Foundation in order to recover food that is still good every day and redistribute it to charitable organizations, giving new value to food. Surplus fruit and vegetables from warehouses in Italy, Spain, France, Greece and Portugal which are no longer marketable for reasons other than their edibility, are collected and distributed by the Food Banks of each country to their network of charitable organizations.

Other events

The Orsero Group has entered into and will enter into strategic partnerships with important producers in domestic fruit and vegetable supply chains in specific niches, as it did with the Agricola Azzurra operation described above. These projects were created to meet the needs of consumers who are increasingly seeking out traceable and certified Italian products. The Group will provide its know-how in all aspects of marketing and its distribution network.

Analysis of the economic and financial situation of Orsero Group

The Separate Financial Statements for Orsero and the Consolidated Financial Statements for Orsero Group as at December 31, 2021 were prepared in accordance with international accounting standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB) and endorsed by the European Union, including all International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and of the previous Standing Interpretations Committee (SIC). Additionally, in compliance with the provisions issued in implementation of Art. 9 of Italian Legislative Decree no. 38/2005, the indications have been considered as given in Consob Resolution no. 15519 of July 27, 2006, setting out "Provisions on financial statements", Consob Resolution 15520 of July 27, 2006, setting out "Amendments and supplements of the Issuers' Regulation adopted by Resolution no. 11971/99", Consob Communication no. 6064293 of July 28, 2006, setting out "Corporate disclosures required in compliance with Art. 114, paragraph 5 of Italian Legislative Decree no. 58/98", communication DEM/7042270 of May 10, 2007 and Bank of Italy/Consob/Isvap document no. 2 of February 6, 2009. This report was prepared in accordance with Art. 2428 of the Italian Civil Code; it provides the most significant information on the economic, equity, and financial situation as well as the performance of Orsero Group, as a whole and in the various sectors in which it operates. For the purpose of preparing the separate and consolidated financial statements, the option was exercised, as granted by current legislation on financial statements, of presenting a single report on operations that accompanies both the separate and consolidated financial statements of the Parent Company ("Orsero"), giving more prominence, unless otherwise indicated, to the phenomena at Group level.
The consolidated financial statements show a profit for the year of Euro 18,508 thousand (at December 31, 2020: Euro 12,269 thousand), of which Euro 18,290 thousand attributable to Owners of the Parent (at December 31, 2020: Euro 12,217 thousand), after depreciation, amortization and provisions for Euro 27,402 thousand (at December 31, 2020: Euro 25,990 thousand), net non-recurring charges for Euro 2,402 thousand, other investment income/expenses for Euro 4 thousand and share of profit/loss of associates accounted for using equity method of Euro 1,019 thousand.
The Orsero Separate Financial Statements show profit of Euro 7,011 thousand (as at December 31 2020: profit of Euro 5,012 thousand), after depreciation, amortization and provisions for Euro 567 thousand (as at December 31 2020: Euro 504 thousand) and accounted for dividends from subsidiaries of Euro 16,236 thousand, and associates of Euro 707 thousand and net non-recurring charges for Euro 1,618 thousand (as at December 31, 2020: charges for Euro 979 thousand).

Below is a breakdown of the main income statement items, almost all identifiable in the financial statements with the exception of the "Adjusted EBITDA", which is the main performance indicator used by the Group, and "Adjusted EBIT", both defined in the "Alternative performance indicators" section. It should be noted that all the figures shown include the effects of the application of IFRS 16.

Thousands of euro	31.12.2021	31.12.2020
Net sales	1,069,776	1,041,535
Adjusted Ebitda	52,929	48,404
Adjusted Ebit	25,526	22,414
Operating result (Ebit)	23,125	18,763
Financial income	352	252
Financial expense and exchange rate differences	(3,665)	(3,943)
Other investment income/expense	4	813
Share of profit/loss of associates accounted for using equity method	1,019	795
Profit/loss before tax	20,835	16,679
Profit/loss	18,508	12,269
Profit/loss attributable to non controlling interests	219	52
Profit/loss attributable to Owners of Parent	18,290	12,217
Adjusted profit/loss	19,093	13,979

The Group's performance in 2021 was largely positive and highly satisfactory in terms of the overall result achieved, which improves on that of the previous year thanks to the good performance of the Shipping segment and the performance of the Distribution segment, which managed to essentially maintain the very positive trend of the previous year.
Adjusted EBITDA, amounting to Euro 52,929 thousand, shows an increase of Euro 4,524 thousand compared to 2020 and the profit for the year, amounting to Euro 18,508 thousand, an increase of Euro 6,239 thousand due to the better operating performance[1] and the reduction in taxes made possible by the adoption of the "tonnage tax" regime for the ship-owning business.
Revenues totaled Euro 1,070 million, up Euro 28 million (+2.7%) on the previous year, with growth in both Distribution (+1.8%) and, more significantly, Shipping (+9.0%). In this sector the higher volumes transported and the gradual increase in freight income due to the BAF (Bunker Adjustment Factor) clause, which took into account increases in the cost of fuel, more than offset the effect of the devaluation of the US dollar, the currency in which freight rates are typically denominated, which rose from an average annual value of 1.14 USD/euro in 2020 to 1.18 USD/euro in 2021. Similarly, in the Distribution sector, turnover growth was due to an increase in average unit sales prices, which more than offset the drop in volumes caused by the decision to reduce the volumes of banana products on those large retail auctions in Italy and Portugal in 2021, which were at unprofitable price levels.

Thousands of euro	31.12.2021	31.12.2020
"Distribution" Sector	1,000,459	982,827
"Shipping" Sector	103,825	95,296
"Holding & Services" Sector	10,576	10,536
Net Sales Inter-sector	(45,084)	(47,125)
Net Sales	**1,069,776**	**1,041,535**

[1] The improvement of Euro 6,239 thousand results from the better operating performance by Euro 4,524 thousand, higher amortization, depreciation and provisions by Euro 1,413 thousand, lower net financial expenses and foreign exchange differences by Euro 379 thousand, lower taxes by Euro 2,084 thousand, a better overall net result for income from investments, profit from investments accounted for at equity and non-recurring items by Euro 665 thousand.

Geographical information

The analysis of information shows details of the Group's revenues, divided up into the main geographical areas (thereby meaning those in which the company that generated the revenue is based) for 2021 and 2020, showing the Group's eurocentric nature.

Thousands of euro	31.12.2021	31.12.2020	Change
Europe	**1,020,241**	**1,005,686**	**14,554**
of which Italy	*470,255*	*462,280*	*7,976*
of which France	*200,673*	*195,874*	*4,800*
o which Spain	*292,062*	*276,271*	*15,791*
Latin America and North America	**49,535**	**35,849**	**13,687**
Total Net sales	**1,069,776**	**1,041,535**	**28,241**

As shown in the table, Europe represents the center of the Orsero Group's activities, while non-European revenue is linked to activities carried out in Mexico, relating to the production and marketing/export of avocados, and Costa Rica, to support the sourcing of bananas and pineapples and their transport to Europe. Finally, please note that for Group revenues, the currency component is insignificant, given that the revenues of distributors, apart from the Mexican company, are all in euros.

The table below provides a reconciliation of the Adjusted EBITDA, used by the Group's management team as a performance indicator monitored on a consolidated level, with the profit/loss presented in the income statement.

Thousands of euro	31.12.2021	31.12.2020
Profit/loss	**18,508**	**12,269**
Income tax expense	3,665	3,943
Financial income	(4)	(813)
Financial expense and exchange rate differences	(1,019)	(795)
Other investment income/expense	23,125	18,763
Share of profit/loss of associates accounted for using equity method	24,994	24,180
Operating result	**2,408**	**1,809**
Amortization of intangible and depreciation tangible assets	24,994	24,180
Accruals of provision	2,408	1,809
Top Management incentives	1,753	1,092
Non recurring income	(1,909)	(35)
Non recurring expense	2,557	2,595
Adjusted Ebitda	**52,929**	**48,404**

The following table shows the sector results in terms of Adjusted EBITDA, highlighting the above-mentioned better performance of the Shipping sector, which rose from Euro 17,660 thousand to Euro 24,407 thousand, while Distribution recorded a drop from Euro 36,656 to Euro 35,437 thousand. In order to correctly interpret the data, it should be borne in mind that the activities of the Shipping sector are strategically linked to the Distribution sector, for which it transports volumes of fruit (bananas and pineapples) between 40 and 50% of the total on the Central American-Mediterranean route. It was precisely in order to cover this strategic aspect of the logistics chain that in the mid-1980s the Group had the first four Cale Bianche reefer units built, which were replaced a decade later by the current, larger Cale Rosse.
Lastly, please note that the Adjusted EBITDA of Euro 52,929 thousand was impacted by the IFRS 16 reclassification of Euro 7,673 thousand, while in 2020, that impact amounted to Euro 7,998 thousand.
The Holding & Services sector is mainly represented by the Parent Company Orsero S.p.A., flanked on a lesser scale by the companies operating in customs services, most of which are provided to third parties, and IT services, mainly inter-company. The result measured by adjusted EBITDA is typically negative, as the Parent Company determines its result according to the dividends collected.

Thousands of euro	31.12.2021	31.12.2020
"Distribution" Sector	35,437	36,656
"Shipping" Sector	24,407	17,660
"Holding & Services" Sector	(6,916)	(5,911)
Adjusted Ebitda	**52,929**	**48,404**

The following table instead compares current profit for the two years, net of the respective tax effects, highlighting the limited overall impact of non-recurring components, which are linked to the costs for Covid-19, the incentives for key managers, the cost of litigation and the net capital gain from the sale of the Milan and Porto warehouses.

Thousands of Euro	31.12.2021	31.12.2020
Profit/loss	**18,508**	**12,269**
Top Management incentives	1,332	786
Covid-19 costs*	164	475
Effect "Step acquisition" ex IFRS 3	-	(799)
Contingent profit for reversal of deferred tax accruals	(1,202)	-
Sale of warehouses	(1,170)	-
Other non-recurring profit/loss	1,461	1,248
Adjusted profit/loss	**19,093**	**13,979**

As regards the Statement of financial position, the main data used and reviewed periodically by Management for the purpose of making decisions regarding resources to be allocated and evaluation of results is presented.

Thousands of euro	31.12.2021	31.12.2020
Fixed Assets	251,161	242,804
Net Working Capital	30,156	37,898
Other current assets/(liabilities)	(21,118)	(17,280)
Net Invested Capital	260,199	263,423
Total Shareholders' Equity	175,854	160,111
Net Financial Position	84,346	103,311

The main changes in the financial structure at December 31, 2021 compared to December 31, 2020, which will be extensively analyzed in the notes to the financial statements, are primarily linked to:

- increase in fixed assets by Euro 8.4 million, mainly due to the acquisition for Euro 7.2 million of the 50% stake in Agricola Azzurra, investments for the period for a total of Euro 31.2 million (of which Euro 17.7 million related to the application of IFRS 16 on lease/hire contracts) and amortization and depreciation of Euro 25.0 million;
- decrease in trade net working capital of Euro 7.7 million, also linked to the mentioned working capital management operation activated toward the end of the second quarter and now fully operational;
- an improvement in the Net Financial Position of Euro 19.0 million due to the positive operating performance, which more than offset the investments made during the period in plant and machinery and equity investments, as well as the purchase of treasury shares and the payment of dividends by the Parent Company.

The summary representation of the Group's financial statements at December 31, 2021 through the main indicators highlights the good capital and financial structure of the Group, also within an "IFRS 16 compliant" context.

	31.12.2021	31.12.2020
Net Financial Position/Total Shareholders' Equity	0.48	0.65
Net Financial Position/Adjusted Ebitda	1.59	2.13
Main indicators without IFRS 16 effect		
Net Financial Position/Total Shareholders' Equity	0.26	0.46
Net Financial Position/Adjusted Ebitda	1.00	1.84

Note that the Net Financial Position as specified below is calculated in full compliance with the ESMA recommendation:

	Thousands of euro	31.12.2021	31.12.2020
A	Cash	55,043	40,489
B	Cash equivalents	21	20
C	Other current financial assets	1,356	217
D	**Liquidity (A + B + C)**	**56,420**	**40,725**
E	Current financial debt *	(15,499)	(16,552)
F	Current portion of non-current financial debt **	(27,019)	(23,277)
G	**Current financial indebtedness (E + F)**	**(42,518)**	**(39,829)**
H	**Net current financial indebtedness (G - D)**	**13,903**	**896**
I	Non-current financial debt ***	(68,248)	(73,432)
J	debt instruments	(30,000)	(30,000)
K	Non-current trade and other payables	-	(776)
L	**Non-current financial indebtedness (I + J + K)**	**(98,248)**	**(104,208)**
M	**Total financial indebtedness (H + L)**	**(84,346)**	**(103,311)**

* Included debt instruments, but excluding current portion of non-current financial debt

** Including respectively euro 10,697 and 6,430 from lease contracts ex IFRS 16 as of 31.12.2021 and 31.12.2020

*** Excluding current portion and debt instruments (including respectively euro 28,345 and 22,445 from lease contracts ex IFRS 16 as of 31.12.2021 and 31.12.2020

Shareholders' equity and Treasury shares

The share capital at December 31, 2021 of the Parent Company Orsero, fully paid in, consists of 17,682,500 shares without par value for a value of Euro 69,163,340; there are no preference shares. Holders of ordinary shares have the right to receive the dividends as they are resolved and, for each share held, have a vote to be cast in the Company's shareholders' meeting. The shareholders' equity as at December 31, 2021 increased when compared to December 31, 2020 due primarily to the profit attributable to shareholders of the parent in 2021.
The statement of changes in shareholders' equity provides all information explaining the changes taking place during the year.
At December 31, 2021, Orsero held 302,514 treasury shares, equal to 1.71% of the share capital, for a value of Euro 2,572 thousand, shown as a direct decrease in shareholders' equity.
In the course of 2021, the Parent Company acquired a total of 150,000 treasury shares at an average price of Euro 10.88 per share for Euro 1,631 thousand.
As at December 31, 2021, the Group does not hold, directly or indirectly, shares in parent companies and it did not acquire or sell shares in parent companies during the year.

Commentary on performance of the business sectors

This section provides information on the Group's performance as a whole and in its various sectors by analyzing the main indicators represented by turnover and Adjusted EBITDA. The information required by IFRS 8 is provided below, broken down by "sector of activity". The operating areas identified by the Orsero Group are identified in the sectors of activities that generate net sales and costs, the results of which are periodically reviewed by the highest decision-making level for the assessment of performance and decisions regarding the allocation of resources. The Group's business is divided into three main sectors:

- Distribution Sector
- Shipping Sector
- Holding & Services Sector

The table below provides a general overview of the performance of the different sectors in the two-year period 2021-2020. Please note that the data and comments on the sectors given below show the results of only companies that are consolidated on a line-by-line basis; information is given on the performance of associates further on in the notes.

Thousands of euro	Distribution	Shipping	Holding & Services	Orsero / eliminations	Total
Net sales 31.12.2021 [A]	1,000,459	103,825	10,576	(45,084)	1,069,776
Net sales 31.12.2020 B]	982,827	95,296	10,536	(47,125)	1,041,535
Net sales change [A] - [B]	17,632	8,530	39	2,040	28,241
Adj.EBITDA 31.12.2021 [A]	35,437	24,407	(6,916)	-	52,929
Adj.EBITDA 31.12.2020 [B]	36,656	17,660	(5,911)	-	48,404
Adj.Ebitda change [A] - [B]	(1,219)	6,748	(1,005)	-	4,524
NFP 31.12.2021 [A]	N.d.	N.d.	N.d.	N.d.	84,346
NFP 31.12.2020 [B]	N.d.	N.d.	N.d.	N.d.	103,311
NFP change [A] - [B]					(18,966)

We would now like to comment on the trends of the individual operating sectors, referring to the Notes for all the details of the various investees and the consolidation criteria adopted. Note that the following figures have been determined based on the accounting standards of consolidation in accordance with International Accounting Standards and Group standards and for that reason may be different from those that may be deduced from the individual statutory financial statements filed by the companies.

Distribution Sector

Thousands of euro	31.12.2021	31.12.2020
Net Sales	1,000,459	982,827
Gross commercial margin *	116,217	114,152
% Gross commercial margin	11.62%	11.61%
Adjusted Ebitda	35,437	36,656
% Adjusted Ebitda	3.54%	3.73%
Profit/loss	13,542	13,277

* The "Gross commercial margin", also called the contribution margin, represents the difference between net sales and the direct costs of the products sold (meaning the purchase costs of the goods, plus in/out transport costs, customs duties and packaging costs).

In this sector of activity, companies are involved in the import and distribution of fresh fruits and vegetables from many countries around the world, at any time of the year, in the relevant regions, in addition to the companies located in Mexico dedicated to the production and export of avocados in the US and the EU. The Distribution sector companies are located and operate on the markets of Mediterranean Europe (Italy, France, Iberian Peninsula and Greece) and Mexico.
The widespread presence in the regions, with specialized platforms in the processing and storage of fresh products, allows the Group to serve both traditional wholesalers/markets and large retail (GDO), with different mixes in different Countries depending on the higher (e.g. France) or lower (e.g. Spain) incidence of GDO on these markets. Overall, GDO sales in 2021 account for around 60% of the aggregate sales of European distribution companies, basically in line with the previous year.
With the large retail are in place framework agreements that govern the main specifications and features of the product being delivered while, as a rule, the volumes and prices of the products are defined on a weekly basis, following the dynamics of the market. Suppliers, selected in some of the world's most important production areas, guarantee the offer of a full range of products available 365 days a year.
The table above differs from the summary tables of the other sectors shown below in that it includes a specific indicator for the distribution sector, the "gross commercial margin", also referred to as the contribution margin, which in distribution companies constitutes the main indicator used to monitor business activity. The "gross commercial margin" represents the difference between net sales and the direct costs of the products sold (meaning the purchase costs of the goods, plus incoming and outgoing transport costs, customs duties and packaging costs) where it is considered that these costs represent most of the costs incurred by the company and therefore the positive or negative changes in the gross sales margin tend to be reflected almost entirely on the profit or loss for the year.
The import and sale of bananas and pineapples is one of the Group's main activities as a whole because of the importance and weight of these items within the range of fruit and vegetables and the fact, not inconsiderable in terms of stability of the operational cycle, of their availability throughout the year. The Group supplies bananas and pineapples as a result of long-term relationships established with the most important producers based in the Central American countries. Bananas and pineapples are sold under the brands "F.lli Orsero" and "Simba", in addition to numerous private labels.
In terms of volumes, sales fell by 2% compared with the previous year, primarily due to the bananas, as a result of the decision to forgo a number of large retail sector auctions for this product in Italy and Portugal, where prices were unprofitable. On the other hand, the increase in the average unit price, partly as a result of the better mix due to lower overall banana volumes, made it possible to achieve a higher turnover than in the previous year.
The segment's result as measured by Adjusted EBITDA is lower than in 2020, but actually better when considering the higher charge incurred for banana and pineapple transportation costs paid to the

ship-owning company as a consequence of the increased cost of fuel (effect of the above-mentioned BAF clause). In fact, in percentage terms, the profitability measured by the Adjusted EBITDA, equal to 3.5% of revenues, places the Group at the highest levels in the market.
From a geographical point of view, performance improved over the previous year in France, Greece and Mexico, was stable in Italy, and was down on 2020 in the Iberian Peninsula. It should be recalled that as a result of the Covid-19 pandemic in 2020 there were anomalous movements in volumes and prices of fruit and vegetables (panic buying) and therefore the fact of having performed in 2021 at similar profitability levels is a source of great pride and satisfaction for the Group.
With regard to products, the kiwi, avocado and stone fruit campaigns performed well, in line with the previous year, while citrus, pears and apples, which had benefited the most from anomalous market movements in 2020, performed less well. There was a recovery in the pineapple segment, although volumes were still lower than in the past due to the slowdown in the Ho.re.ca. channel as a result of Covid-19. Growth in volumes and revenues from fresh-cut fruit was steady, although still below initial expectations.
As previously mentioned, during the year the warehouses in Milan and Porto, as well as the photovoltaic plant in Albenga, were sold, realizing a total net capital gain of Euro 1,539 thousand, as they were no longer deemed strategic for the Group's operations.
The profit of the sector for 2021 showed a positive change of Euro 265 thousand[1].

Shipping Sector

Thousands of euro	31.12.2021	31.12.2020
Net Sales	103,825	95,296
Adjusted Ebitda	24,407	17,660
% Adjusted Ebitda	23.51%	18.53%
Profit/loss	13,502	5,190

The Shipping sector reflects the activities linked to the maritime transport of bananas and pineapples of Central American production, carried out mainly with owned ships, the four reefer units “Cala Rosse” which were joined by a fifth ship under a freight contract starting in 2019, which connect, on the basis of a 35-day travel schedule, Central America with the Mediterranean, thereby allowing punctual arrival of fresh fruit in European markets on a weekly basis.
The segment’s income performance, as compared with 2020 shows a clear improvement in Adjusted EBITDA, which amounted to Euro 24,407 thousand, or +38.2% compared to the previous year. All transport contracts have BAF (bunker adjustment factor) clauses which, by adjusting the value of the freight fees based on increases/decreases in the cost of fuel, protect from the variability of fuel costs, as indeed took place in 2021. The positive results achieved by the ship-owning business derive from growth in freight income, the excellent level of volumes transported, nearly 527 thousand pallets for a load factor of 97%, along with the travel schedule which, with the use of 5 ships, allows for significant fuel and emissions savings and guarantees better asset maintenance, thanks to the lower traveling speeds required compared to the previous historical schedule using four ships.
During the year Cosiarma revoked the option to participate in the domestic tax consolidation scheme (non-renewal of the option for the 2021-2023 three-year period), opting as from January 1, 2021 for the so-called “tonnage tax” governed by Articles 155-161 of the TUIR Tax Code. This form of taxation provides for a flat-rate system for determining business income regardless of the income actually earned from maritime activity. By adhering to this regime, which is also applicable to the IRES portion of the fifth chartered vessel, the company expects to achieve significant tax savings

[1] The change of Euro 265 thousand results from the lower operating performance by Euro 1,219 thousand, higher amortization, depreciation and provisions by Euro 1,325 thousand, lower net financial expenses by Euro 138 thousand, lower income from exchange differences by Euro 190 thousand, lower net non-recurring expenses of Euro 1,844 thousand and lower taxes by Euro 1,017 thousand.

starting as early as 2021 where, against a pre-tax result of Euro 12,608 thousand, the current IRES + IRAP tax charge amounts to only Euro 151 thousand. In addition, the application of this tax regime, valid for the next 10 years, resulted in the release of deferred taxes calculated on the higher values of ships recorded in 2015 on the First Time Adoption of IAS, with a benefit on the result of Euro 1,202 thousand.
Finally, it should be noted that as from 2022, following the positive verification of the condition of the owned Cala Rosse vessels carried out by the technical manager of the vessels, the company decided to extend the useful life of the vessels to the end of 2029, planning for a further dry-docking cycle to be carried out in 2024-25. As a result of the lengthening and the resulting reduction in depreciation, a significant impact on the result for the year is expected with Adjusted EBITDA remaining the same, starting in 2022. Improved operating profitability and the application of the "tonnage tax" regime had a positive impact on profit for the year, which rose by Euro 8,311 thousand[1].

Holding & Services Sector

Thousands of euro	31.12.2021	31.12.2020
Net Sales	10,576	10,536
Adjusted Ebitda	(6,916)	(5,911)
Profit/loss	7,387	4,778

This sector includes the activities related to the Parent Company as well as the activities of providing services in customs and in the IT sector, carried out by some smaller companies.
The Adjusted EBITDA of the sector typically has a negative sign, because, in view of the Parent Company's nature as a holding company, the income and ultimately the profit or loss for the year are tied to the dividends received from Group companies.

[1] The change of Euro 8,311 thousand results from the better operating performance by Euro 6,748 thousand, higher amortization, depreciation and provisions by Euro 47 thousand, lower taxes by Euro 1,427 thousand, lower net financial expenses and non-recurring items for a total of Euro 184 thousand.

Analysis of the economic and financial situation of the Parent Company Orsero

The Orsero annual financial statements at December 31, 2021 show profit of Euro 7,011 thousand (2020: profit of Euro 5,012 thousand), after depreciation, amortization and provisions for Euro 567 thousand (2020: Euro 504 thousand), dividends collected for Euro 16,943 thousand and total non-recurring charges recorded for Euro 1,618 thousand, of which Euro 1,452 thousand linked to top management bonuses.
The following are details of the main income statement items:

Thousands of Euro	**31.12.2021**	**31.12.2020**
Net Sales	2,129	1,928
Adjusted Ebitda	(7,887)	(6,701)
Adjusted Ebit	(8,455)	(7,205)
Operating result (Ebit)	(10,073)	(8,184)
Financial income	221	173
Financial expense and exchange rate differences	(1,939)	(2,349)
Dividends*	16,943	13,053
Other investment income/expense*	(7)	-
Profit/loss before tax	5,145	2,875
Profit/loss	7,011	5,012
*Included in the "Other investment income/expense"		

In terms of the income statement, the result of the Parent Company is of limited relevance as the revenue side is essentially linked to the services provided to the Group and the collection of dividends, while on the cost side, personnel costs, legal and tax consultancy - handled centrally - reversed to the companies as applicable, and promotional expenses of the brand are the most significant components. As a result of the latter, Adjusted EBITDA is typically negative, which is why the discussion in relation to the consolidated income statement is much more relevant.
Adjusted EBITDA decreased by Euro 1,187 thousand, linked to the increase in labor costs and remuneration of corporate bodies, as well as professional fees and promotional costs, partly recovered through increased re-billing to operating companies. Non-recurring items include costs for key manager bonuses totaling Euro 1,452 thousand. The increase in expenses was offset by the higher flow of dividends received from subsidiaries and associated companies, for a total of Euro 16,943 thousand, up Euro 3,890 thousand on the previous year.
As regards the Statement of financial position, the main data used and reviewed periodically by Management for the purpose of making decisions regarding resources to be allocated and evaluation of results is presented.

Thousands of Euro	**31.12.2021**	**31.12.2020**
Fixed Assets	173,818	165,017
Net Working Capital	10,856	32,462
Net Invested Capital	184,674	197,479
Total Shareholders' Equity	149,503	147,591
Net Financial Position	35,171	49,888
Net Financial Position/Total Shareholders'Equity	0.24	0.34

The increase in fixed assets is mainly due to a change of Euro 7,322 thousand in equity investments as a result of the acquisition of a 50% stake in the capital of Agricola Azzurra S.r.l., aimed at promoting the marketing of Italian-grown fruit and vegetables in the large retail channel.
The reduction in Net Working Capital essentially reflects the lower positive balance in the position of treasury current accounts ("Cash pooling"), partly offset by the increase in trade receivables due from Group companies recognized at the beginning of the year by the subsidiary Simba as part of the reorganization of its operations.
The change in Shareholders' equity between 2021 and 2020 takes into account the effect of the result for the year, the purchase of treasury shares, the payment of the dividend, the change in the reserve for derivatives and the adjustment of the actuarial reserve related to employee benefits.

Reconciliation between the results and shareholders' equity of the Parent Company and the Group

The reconciliation schedule for the results and shareholders' equity of the Parent Company and the analogous consolidated values are provided below:

Thousands of euro	Share capital and reserves at 31.12.2021	Profit/loss 2021	Total Shareholders' equity at 31.12.2021
Orsero S.p.A. (Parent company)	**142,493**	**7,011**	**149,503**
The difference between the carrying amount and the corresponding equity	(56,564)	-	(56,564)
Pro-quota gains/losses achieved by subsidiaries	-	28,961	28,961
Pro-quota recognition of associated companies consolidated using the equity method	(550)	1,019	469
Dividends distributed by consolidated companies to the Parent company	18,453	(18,453)	-
Consolidation differences	47,355	-	47,355
Elimination of capital gain and/or other transactions carried out by subsidiaries	5,710	(249)	5,461
Total Group equity and net profit attributable to Parent company	**156,896**	**18,290**	**175,186**
Minority interests and net profit attributable to non controlling interests	449	219	668
Total shareholders' equity and profit/loss	**157,345**	**18,508**	**175,854**

Risk profiles of the business, control systems, environment

The Orsero Group's business is focused on the import and distribution of fruit and vegetables, alongside the activities in the sectors of transport and services over time.

Strategic and operational risks

Operational risks

The Group is exposed to operational risks linked to the use of ships and storage plants, quality control, ripening and processing plants and these consist of the risk of losses caused by errors, breaches, downtime and damage, caused by internal processes, personnel, systems or external events. Should such circumstances arise, considering the medium-level likelihood of such, a risk would be run that may have a significant negative impact on the Group's economic, equity and financial position. The risk is considered of medium relevance. Orsero Group's activities are characterized by the need to ensure the optimal preservation of fruit throughout the whole source path to the final market and the regularity of supply. For this purpose, the Orsero Group uses its own fleet, represented by four reefer ships and the chartered ship that transport bananas and pineapples from Central America to the Mediterranean weekly and the warehouses where bananas are ripened and the fruit is stored, and is able to maintain control over the cold chain for the entire time.

Risks connected with the performance of results and economic margins
The Orsero Group recorded oscillations in the performance of its margins and economic results, connected with the performance of the various fruit campaigns held during the year at the distributors and the performance of the ship-owning business and the import of bananas and pineapples, which is usually more variable. It cannot be excluded that oscillations and reductions in the results and margins may also take place in the future and this may have very significant impacts on the Group's economic, equity and financial position. The likelihood of this occurring is considered "medium". Please note that the margins of the Distribution sector are characterized on one hand by the volatility of imports due to factors that are not completely under the Company's control, such as the trend in production and imports into Europe of bananas and pineapples, and, on the other hand, by Distribution, which due to its intrinsic characteristics and being differentiated in the various countries of Mediterranean Europe, usually shows limited variations in trends. The Shipping sector is more volatile, due to factors that are not entirely under the Company's control, such as: (i) the performance of the shipping charter market, in particular as regards the reefer transport segment; (ii) the performance of fuel prices; (iii) the onset of events that can impact the normal provision of the shipping service, such as, by way of example, unfavorable atmospheric events or operating difficulties in the cargo loading or unloading ports due to strikes; and (iv) fluctuation in the exchange rate. In order to mitigate this risk, the Group constantly monitors its business, seeking to interpret the dynamics and find effective, efficient solutions. During the past two years the risk connected with shipping activities was mitigated by the Group by means of actions to hedge fuel cost fluctuations, both direct (reinstatement of BAF clauses in transport contracts) and indirect (hedging via derivatives), the chartering of a fifth ship, which lengthened round-trip times from 28 to 35 days, thus permitting fuel savings and less stress on the vessels, as well as the expansion of the customer base.
The focus on and further investment made in the core distribution business, which provides for excellent stability in industrial margins, also helped to mitigate this type of risk.

Risk connected with procurement difficulties and the volatility of commodity prices
The Orsero Group business, represented by the import and distribution of fruit and vegetables, is very much dependent on the procurement of certain products, such as bananas, pineapples, avocado, etc. and the fluctuation of the related purchase prices, particularly in consideration of product availability and the risks linked to the absence of any formalized short- or longer-term contracts with most of its suppliers. There is also a risk that the Group may be unable to transfer any higher purchase prices of products onto the prices of sale applied on the reference markets. Should such circumstances arise, considering the medium-level likelihood of such, they may have a significant negative impact on the Group's equity and/or financial position. This risk is considered of medium relevance. The quality and quantity of the supply of these products, and the availability and sustainability of the purchase price of the goods marketed by the Orsero Group, which, by nature, are perishable, may be impacted by factors that are difficult for it to predict or control. In particular, procurement conditions are extremely sensitive to the climatic factor (periods of drought or excessive rainfall, storms or hail on plantations), as well as soil conditions or the presence of weeds or parasites that determine the higher or lower availability of products, and consequently, their purchase price. The change in the prices of raw materials is generally handled through the pricing policy of the products for sale. To address these issues, the Orsero Group is implementing a strategy of diversifying its sources, both in terms of geographical supply areas as well as suppliers, in order to mitigate and offset any product shortages during the various seasons (or "campaigns") for the products. For the Orsero Group, one of the priorities has always been developing relations with suppliers, many of whom have established consolidated relationships over time, thus guaranteeing the consistency of the necessary procurement and possible mediation of purchase prices.

Risks connected with shipping in regard to fuel
With regards to the shipping business, the fuel used to power the vessels is one of the main cost factors of the Shipping sector (as at December 31, 2021, the cost for fuel purchases accounted for 25% of Shipping sector revenues). Historically, major fluctuations have been recorded in the price of the bunker, impacting the increase in costs incurred for purchasing the fuel used to power the ships and, consequently, the Group's result. There is therefore a risk that very significant (or repeated) fluctuations in the cost of fuel may only partly be covered by the hedges implemented by the Group and that in the event of contracts not including BAF clauses, the rise in bunker prices may generate a negative impact on the profitability of charters to customers. The likelihood of these circumstances occurring, is considered "medium". In order to manage the risk of cost fluctuations, linked to fluctuations in the price of oil, the Orsero Group, in line with the practice of the shipping sector, stipulates, where possible and based on agreements reached with customers, transport contracts with the "bunker adjustment factor" (BAF) clause that allows an adjustment of the transport price depending on the increase or decrease of the bunker price. It should also be noted that to reduce the risk of significant price fluctuations, the Orsero Group generally stipulates hedging contracts for part of its bunker consumptions according to the best strategies identified. As already mentioned, the strategies adopted in the last two years have allowed for the significant mitigation of this type of risk.

Risk connected with the transport of third-party products
Through Cosiarma, the Group uses part of the capacity of its ships to also carry products pertaining to third party operators. There is therefore a risk connected with failure to renew such cargo contracts or with the renewal of such contracts but at more onerous conditions. Such circumstances, which are classed as "medium" probability, may have very significant negative effects on the Group's economic, equity and financial position. The risk described is considered as of medium/high relevance. Additionally, Cosiarma has a reduced customer base, precisely due to the market on which it operates, whose relations are generally regulated by annual contracts; this makes for uncertainty as to the continuation of such relations and the potential renewal at their expiry dates. Potential negative impacts cannot be excluded on the business and economic results and the Group's equity and financial position, in the event of failure to stipulate one or more contracts, without there being equal replacement traffic or in the event of renewals at less remunerative contractual conditions. The management constantly monitors its customer portfolio, paying careful attention to their needs and maintaining contact with the main operators with a view to potentially improving the quantity and quality (price) of the cargo carried. As already mentioned, the expansion of the customer base over the last two years has helped to mitigate this type of risk.

Risks associated with dependence on distribution channels
The Orsero Group's turnover depends significantly on sales to both Large Retail ("GDO") and traditional wholesalers. In particular, in FY 2021, the Orsero Group's turnover from GDO was approximately 60% of total aggregated revenues of the European Distribution companies. The Group is exposed to risks relating to the potential interruption of relations with its customers, or a worsening of such relations as compared with the situation as at the reference date. Should such circumstances occur (considered unlikely), this would entail a risk of a significant negative impact on the Group's economic, financial and equity position. This risk is considered of medium relevance. It should be noted that contracts with the GDO are governed by framework agreements, which regulate the main specific characteristics of the product being delivered. Except for specific cases, product volumes and prices are defined on a weekly basis, also in order to manage some factors not necessarily related to the product such as the Euro/Dollar exchange rate or the cost of oil that affects the transport cost. In this context, the Orsero Group has always responded with a strategy aimed at increasing its size and with a continuous effort to adapt and improve efficiency, while maintaining the objective of safeguarding the basic economic efficiency of its operations. Since 2012, the marketing of bananas and pineapples under its own brand has represented an effective strategic response from a structured and mature group to a radical change in the mechanisms of its core business. The Orsero Group is well aware of the risk associated

with this challenge but believes that it is balanced by a unique opportunity to create over time a name and an Italian quality brand able to stand on the market and compete with the major multinationals in the sector.

Financial risks

In going about its business, the Orsero Group is exposed to financial risks connected with its operations; more specifically, it is exposed to the credit risk, the liquidity risk and the market risk (including the foreign exchange risk, the interest rate risk and the price risk). Financial risks are handled in accordance with specific organizational rules that regulate and manage the same and the control of all transactions relevant to the breakdown of financial and/or trade assets and liabilities.

Risks associated with credit
The Orsero Group is exposed to credit risk, mainly deriving from commercial relations with its customers and, in particular, any delays or non-payments by such, which, should such occur, may have negative effects on the Group's economic, equity and financial position. The onset of circumstances connected with the credit risk is considered unlikely to occur. Considering the foregoing, this risk is considered of little relevance. As at December 31, 2021, the Group's provision for bad debts of Euro 11,803 thousand accounts for 9.4% (2020: 9.5%) of the Orsero Group's gross trade receivables. It should also be noted that this measure reflects the need expressed in the tax systems of the various countries to not reverse non-performing loans until completion of the envisaged bankruptcy proceedings, thereby "inflating" the book values with receivables that have already been fully impaired.
The management monitors the commercial credit risk using formalized procedures for selecting and evaluating the customer portfolio, defining the limits of reliance, monitoring the expected income flows and any recovery actions, and has also stipulated suitable, specific insurance policies with leading counterparties.

Liquidity risk
The Group manages liquidity risk with a view to ensuring the presence, on a consolidated level, of a liability structure that matches the composition of financial statement assets, in order to maintain a solid level of capital. The Group constantly monitors forecast cash flows, available credit facilities, loan repayment plans, available liquid funds and any financial needs of subsidiaries, in order to identify the most appropriate ways by which to guarantee the most efficient management of financial resources.

Interest rate risk
The Group helps finance its medium/long-term investments and working capital through use of credit instruments. The Group mainly uses medium-term credit facilities in euros, part of which at fixed rate and part at variable rate; a suitable partial IRS plain vanilla hedge has been activated on the main ones (2018-2024 pool loan for an original figure of Euro 60 million and 2020-2029 pool loan originally for Euro 15 million, in addition to the 2021-2027 Credit-Agricole loan for Euro 5.5 million), with a view to mitigating the risk of fluctuation of the reference rates (Euribor) over time; instead, in the case of the only debenture loan issued, the option was chosen for an entirely fixed rate structure. As at December 31, 2021, the hedges adopted by the Group for the risk of changes in interest rates hedge approximately 78% of medium and long-term variable rate bank loans, thereby meaning that approximately 82% of the Group's entire medium/long-term bond and bank debt is at fixed rate. It is stressed that, in the Group's opinion, such choices are today very prudent, also in view of the expected medium-term evolution of reference rates in Europe.

Foreign exchange risk
The Orsero Group is exposed to the risk of changes in foreign exchange rates (in particular US dollars), for currencies that differ from that used to express commercial and financial transactions, for which it adopts hedging strategies in order to mitigate/avoid negative effects on the economic, equity and financial position. The Group operates particularly in the Distribution and Shipping sectors, purchasing goods in US dollars and then importing them and selling in euros on the South European markets. On the other hand, in the Shipping Sector, revenues in US dollars are higher than

costs incurred in euros, thus limiting in part the Group's currency balance, which is in any event naturally exposed to the US dollar. Over the last two years a growing number of European large retail chains have begun to request fixed annual prices in auctions for bananas, one of the main products marketed by the Group and one of the few that are purchased at a fixed price in USD. For this reason, in the presence of fixed sale prices in euros, the impact of fluctuations in the USD/euro exchange rate has become more significant than in past years, when exchange rate risk represented a risk with a low probability of occurrence and relevance. As things currently stand, in order to deal with the increased level of risk, the Group has adopted:

- a medium/long-term strategy to reduce the weight of bananas in the basket of products marketed by the Group, combined with a reduction in the share of bananas sold at auction
- implemented a hedging strategy on the USD/EUR exchange rate with the aim of returning risk levels to the those existing prior to the last two years.

Despite the actions taken as outlined above, we cannot exclude any significant and/or sudden changes to the USD/EUR exchange rate could have immediate negative impacts on the Group's economic, equity, and financial situation. Together with the Treasury and Sales Offices, the management team constantly monitors changes in exchange rates so as to promptly take any corrective action offering guarantees for the Group.

Risks associated with loan agreements and the debenture loan
The Orsero Group has medium-term loan contracts in place with some of the leading banks. These include financial covenants, mandatory early repayment clauses where certain hypotheses of default, termination, withdrawal or application of the acceleration clause or cross default, should arise. The Group is therefore exposed to the risk of having to repay its financial debt early, if such hypotheses should occur; this may determine very significant negative effects on the economic, equity and financial position of the parent company and/or Group. The onset of such circumstances has been considered of medium probability of occurrence and significant relevance. Please note that the three main financial payables of the Group are the (i) variable rate pool loan for an original figure of Euro 60 million, maturing on June 30, 2024, (ii) the variable rate pool loan for an original figure of Euro 15 million, maturing on December 31, 2029, on which there is an overall fixed rate swap hedge for 75% of the nominal amount and (iii) the debenture loan for Euro 30 million, maturing on October 4, 2028, at a fixed rate. Please note that as at the date of the presentation of this financial report, the Group has fulfilled the financial covenants and obligations envisaged by the loan contracts and debenture loan; the Group's management team constantly monitors the performance of financial covenants in order to verify that they are respected. The improvement in the Group's financial position over the past two years has helped to mitigate this type of risk, further strengthening the Group's results and lowering the financial cost of borrowing, which may make it possible in the future to raise the covenants established in structured loan agreements (pool and bond).

Risks connected with the adequacy of the provisions for risks and charges and the current dispute
The Group is exposed to the risk of having to cover, should it lose its case, expenses deriving from litigation currently not covered by provisions recognized in the financial statements; this circumstance could have significant effects on the Group's economic, equity and financial position. Where said circumstances should arise (considered as medium probability), this would entail a risk of significant impact on the Orsero Group's economic, equity and financial position. The risk described is considered of medium relevance.
However, the recognition of a provision for risks depends on the likelihood of losing a dispute to which an entity is party. It should be noted that, during the two-year period, the Group absorbed most of the litigation outstanding at the date of the listing on the STAR segment of the Milan Stock Exchange, also by taking out an LBO (Litigation Buy Out) insurance policy regarding the main outstanding litigation involving Simba.
The Group's management team constantly monitors the onset and evolution of any disputes, also through the support offered by legal advisors, to ensure that the best, most appropriate action is taken to protect the Group.

Legal and compliance risks

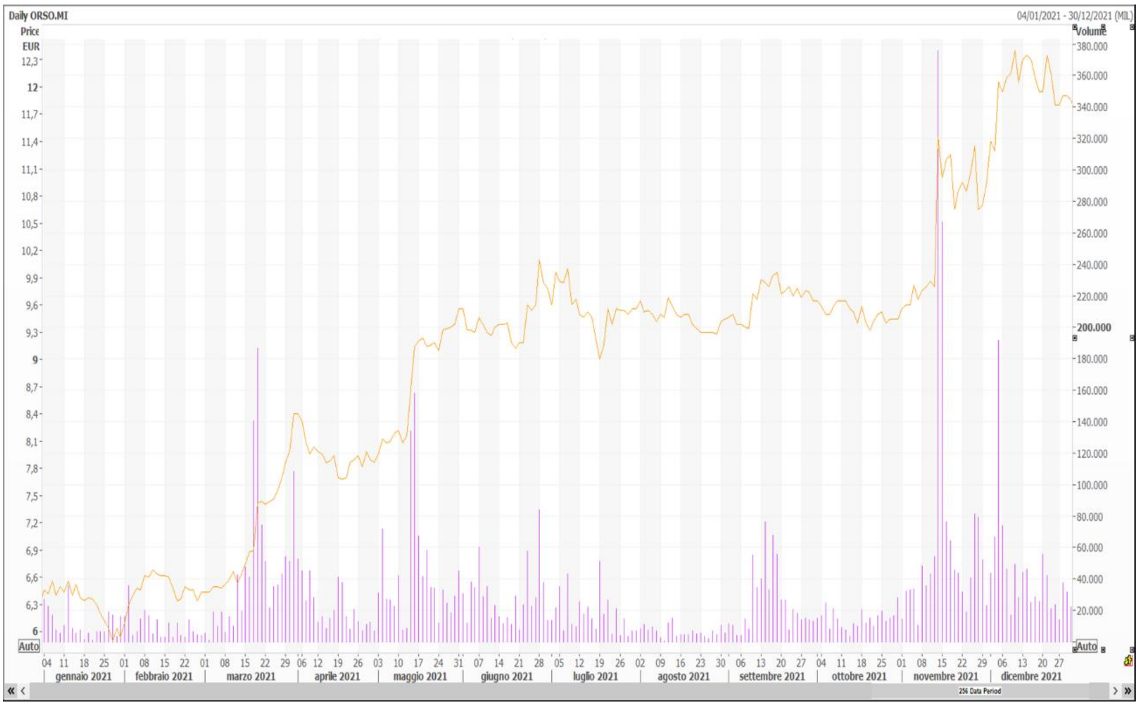
Risks associated with potential environmental damages
The Orsero Group is exposed to the risk of serious failures or breakdowns of ships, plants, facilities and/or machinery that could result in a slowdown in the Orsero Group's activities, damages to third parties, accidents or environmental damage. The Orsero Group, through dedicated offices, continues all the activities needed to ensure respect for the environment, as well as optimization of the use of energy sources and natural resources.

Risks associated with the administrative liability of legal entities
The Group is exposed to the risk of incurring the administrative liability of legal entities envisaged by Italian Legislative Decree 231 and any sanctions envisaged by said same Decree (or other similar applicable local regulations), due to a potential assessment of the inadequacy of the model adopted, in accordance with said Decree, by the Parent Company and Italian subsidiaries and/or the failure to apply a similar model by the Group's foreign companies. The onset of such circumstances, which is considered unlikely to occur, would, however, entail a risk that may have negative effects on the Group's economic, equity and financial position. Starting in 2010, the Orsero Group (formerly GF Group) has applied the organizational model and the code of ethics and appointed the ethical committee as provided by the Italian Legislative Decree of June 8, 2011, in addition to the supervisory body, in order to ensure compliance with the prescribed conditions of fairness and transparency in the conduct of business, safeguarding the company's position and image, shareholders' expectations and employees' work. The model is a valuable tool for raising awareness among all those who work on behalf of the Orsero Group so that they ensure proper and consistent conduct in carrying out their activities and a means of preventing the risk of committing crimes. The Model 231 and the Code of Ethics are available for consultation from the corporate governance section of the website www.orserogroup.it.

Other information

Share performance

On the trading day of December 30, 2021, the Orsero share averaged Euro 11.82, an 83% increase from the first listing of the year on January 4 of Euro 6.46. The stock market capitalization at December 30, 2021 was Euro 209.5 million (Euro 110.7 million at December 30, 2020).



The following table summarizes the main data relating to the shares and stock market at December 31, 2021.

Share and Stock Exchange Data	Year 2021
First price (01/04/2021)	6.46
Maximum annual price	12.50
Minimum annual price	5.90
Closing price (12/30/2021)	11.85
Average daily volume (no. of shares)	28,639
No. of shares in circulation	17,682,500
Stock-Exchange Capitalization	209,537,625

Significant shareholders

Below is a list of shareholders with an investment in excess of 5% (considering the classification of the Issuer as an SME in accordance with Art. 1, paragraph 1, letter w-quater.1 of Italian Legislative Decree no. 58/1998, as subsequently amended and supplemented (the "Consolidated Law on Finance" or "TUF")), as resulting from the Consob communications received in accordance with Art. 120 of the TUF and other information available to the Company.

Shareholder's name (1)	Number of shares	% on the total share capital
FIF Holding S.p.A.	5,746,492	32.50%
Grupo Fernandez S.A.	1,115,942	6.31%
Praude Asset Management Ltd.	1,687,379	9.54%
Global Portfolio Investments S.L. (2)	1,014,440	5.74%
First Capital S.p.A.	920,010	5.20%
(1) Updated on January 25, 2021		
(2) The declaring company at the top of the control chain is Indumenta Pueri S.L.		

Corporate governance

The Group adheres to the new Corporate Governance Code published in January 2020 applicable to all companies listed on the MTA Stock Exchange run by Borsa Italiana. In compliance with the regulatory obligations, the "Corporate Governance Report" is drawn up once a year, which, in addition to providing a general description of the Group's corporate governance system, also gives information on the ownership structures and adhesion to the individual provisions of the Corporate Governance Code and observance of the relevant commitments. Below is a summary description of the main components of corporate governance. For a more analytical description of the elements comprising corporate governance, reference is made to a reading of the complete document on the Annual Report, available from the governance section of www.orserogroup.it. More specifically, reference is made to the above document for information about the internal control system, aimed at managing risks relating to the financial disclosure pursuant to Art. 123-bis of the TUF.

Board of Directors

The Parent Company's Board of Directors in office as at the date of the approval of these financial statements numbers 9 members; it was appointed by the Ordinary Shareholders' Meeting on April 30, 2020 and will remain in office until the date of approval of the financial statements as at December 31, 2022.

Board of Statutory Auditors

The Board of Statutory Auditors in office as at the date of approval of these financial statements was appointed by the Ordinary Shareholders' Meeting held on April 30, 2020 and it will remain in office until the date of approval of the financial statements as at December 31, 2022.

Financial disclosure and relations with Shareholders

In order to maintain a constant dialog with its shareholders, potential investors, and financial analysts, and in adherence with the Consob recommendation, Orsero S.p.A. has established the Investor Relator function. This role ensures continuous information between the Group and financial markets. Economic and financial data, institutional presentations, official press releases, and real-time updates on the share price are available on the Group's website in the Investor Relations section.

2021 Sustainability Report - Consolidated Non-Financial Statement prepared in accordance with Italian Legislative Decree no. 254/2016

In compliance with the provisions of Italian Legislative Decree no. 254/2016, the Group has supplemented corporate reporting with the 2021 Sustainability Report - Consolidated Non-Financial Statement prepared in accordance with Italian Legislative Decree 254/2016. This document is made available to the public on the website www.orserogroup.it at the same time as the 2021 Annual Financial Report, of which this document is an integral part.

Tax consolidation

Almost all Italian subsidiaries, with the exception of the ship-owning company Cosiarma, participate in the "tax consolidation" system headed by Orsero, pursuant to Articles 117 et seq. of the TUIR Tax Code, and a similar system is in place in France between AZ France and its French subsidiaries.

Workforce

The Notes provide an indication of the staff employed by the Group at December 31, 2021 and 2020. During the year, there were no accidents and serious injuries at work for personnel registered as employees of Group Companies.

Safety and protection of the health of workers

As regards the environment, the Group has always adopted policies that are conducive to food safety and hygiene, respect for and protection of the environment and safety at work. The numerous certifications (such as HACCP, ISO 9001 and 14001, BRC, IFS, OHSAS 18001) obtained by the Group attest to this, as do the significant investments made in recent years to install several photovoltaic plants that can satisfy a good portion of the energy needs of the relative operational sites. It should be noted that an excellent result was achieved on injury reduction due to training, supervision and awareness-raising activities, thus raising the focus on the subject.
Also, on the subject of safety and protection of workers' health, in order to cope with the impact of the Covid-19 epidemic, the Group introduced the necessary precautions with regard to employees and third parties in warehouses and markets as well as in offices. The companies implemented the safety protocols outlined by the Authorities to regulate entries and interpersonal contact within their operating platforms and offices, carry out the necessary sanitization activities and provide personal protection equipment.

Research & Development

Considering the nature of the Orsero Group business, there was no basic or applied research carried out; however, as already indicated in the previous Reports, the Group is continuing its implementation and engineering of a new integrated information and management system to meet the specific needs of the distribution sector, with innovative economic/financial planning instruments.

Information pursuant to Art. 1, paragraph 125 of Italian Law no. 124 of August 4, 2017

In accordance with Art. 1, paragraph 125 of Italian Law no. 124 of August 4, 2017 and Art. 3-quater, paragraph 2 of Italian Decree Law no. 135 of December 14, 2018, please note that some of the Group's Italian companies benefit from the aids for which publication is mandatory in the National State Aid Register.

Art. 36 of the Consob Market Regulation (adopted by Consob Resolution no. 16191/2007 as subsequently amended)

As described in the notes, the Group holds investments in some companies located outside Europe and in regard to the regulatory provisions pursuant to the title, please note that as at December 31, 2021, there were no companies coming under the scope of application of the regulatory provisions of Art. 36 of the Market Regulation, i.e. an amount of assets and revenues that exceeds 2% and 5% of the consolidated assets and revenues and the sum of all non-European companies, as a whole, is less than 10% the consolidated assets and 15% the consolidated revenues.

Art. 37 of the Consob Market Regulation

Please note that as at December 31, 2021, FIF Holding does not manage and coordinate the Parent Company Orsero in accordance with Art. 2497 of the Italian Civil Code, and, therefore, the regulatory provisions of Art. 37 of the Market Regulation do not apply.

Management and coordination

Orsero S.p.A. is not managed or coordinated pursuant to Article 2497 *et seq.* of the Italian Civil Code. The company FIF Holding does not manage or coordinate Orsero S.p.A. insofar as the latter operates under corporate and entrepreneurial autonomy, with autonomous capacity for negotiating relations with customers and suppliers and defining its strategic guidelines, organization and development, without any interference; FIF Holding also does not carry out any centralized Group duties; the Orsero Board of Directors operates autonomously and FIF purely performs the role of reference shareholder.
All direct and indirect Italian subsidiaries of Orsero S.p.A. have fulfilled publishing obligations laid down by Art. 2497-bis of the Italian Civil Code, indicating that Orsero S.p.A. is the subject managing and coordinating them.

Transactions with related parties

In accordance with the provisions of the Regulation adopted by Consob with resolution no. 17221 of March 12, 2010 and subsequent amendments, Orsero S.p.A. has adopted a Procedure for Transactions with Related Parties, approved by the Board of Directors on February 13, 2017 and most recently amended on May 12, 2021, which is available on the Group's website https://www.orserogroup.it/governance/procedure-societarie/.
The Related Party Procedure identifies the principles the Company follows in order to ensure transparency and substantive and procedural fairness of transactions with related parties carried out by the Parent Company, directly or through subsidiaries. It aims to monitor and track the necessary information about transactions in which directors and senior managers have a personal interest and related party transactions, in order to control and, where necessary, authorize, them.
The main Group activities, carried out at market prices with related companies, regard commercial relationships for the supply of fruits and vegetables and port services, as well as office leasing. On the other hand, as concerns related parties that are individuals, these are essentially employment and/or collaboration relationships.
It should be noted that during 2021 no related party transactions were implemented other than those that are part of the Group's ordinary course of business. With reference to dealings with related parties, please refer to the details provided in the notes.

Investments during the year

Period Group investments made in intangible assets other than goodwill and in property, plant and equipment amounted to a total of Euro 31,223 thousand, including Euro 17,677 thousand for "rights of use" pursuant to IFRS 16. The following tables show the investments made during the year (excluding IFRS 16 renewals, for which reference should be made to the specific table in Chapter 3 of the Notes to the Financial Statements) and their breakdown by sector.

Description	Country	Amount M€
New building and equipment in Tenerife (Granadilla)	Spain	2.8
New market stands and warehouse enlargement	Spain	1.7
Improvements in France (cool rooms, social areas and packing lines)	France	1.2
ERP Project	Italy/France	2.1
New ripening and cooling rooms in Alverca	Portugal	1.1
New equipment for water distribution and fresh-cut equipment Verona	Italy	0.7
Revamping of ripening centre	Greece	0.3
Others	Group	3.8
Total investments (No IFRS 16)		**13.5**

Thousands of euro	INVESTMENTS "Distribution" Sector	"Shipping" Sector	"Holding & Services" Sector	Total
Intellectual property rights	24	-	49	73
Concessions, licenses and trademarks	287	-	22	309
Assets in progress and advances	2,262	6	12	2,280
Other intangible assets	9	-	8	16
Total investments in Intangible assets other than Goodwill	**2,582**	**6**	**90**	**2,678**
Land and buildings	5,662	-	2,104	7,766
Plantations	-	-	-	-
Plant and machinery	3,686	9,910	-	13,596
Industrial and commercial equipments	67	1,239	7	1,312
Other tangible assets	2,642	92	401	3,135
Assets in progress and advances	2,407	230	100	2,736
Total investments in Property, plant and equipment	**14,464**	**11,470**	**2,611**	**28,546**
Total investments	**17,046**	**11,476**	**2,701**	**31,223**

Transactions deriving from atypical and/or unusual transactions

In compliance with the provisions of the Consob Communication of July 28, 2006, in FY 2021, the Company did not implement any atypical and/or unusual transactions as defined in that Communication.

Transactions deriving from non-recurring transactions

In accordance with the Consob Communication of July 28, 2006, it is specified that in 2021, the Group incurred costs relating to non-recurring transactions. In accordance with Consob Communication 15519 of February 28, 2005, please note that the item "Other operating income/expense" includes Euro 1,909 thousand and Euro 4,310 thousand respectively of non-recurring revenues and costs; for details, please refer to Note 26 "Other operating income/expense" and Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

Right to opt out of the obligation to publish an information document in the event of significant transactions

Please note that on September 9, 2019, the Company's Board of Directors resolved to apply the derogation envisaged by Art. 70, paragraph 8 and Art. 71, paragraph 1-bis of Consob Regulation no. 11971/99.

Definition of SME

As regards the definition of SMEs, as per Article 1, paragraph 1, letter w-quater. 1) of the TUF, it is noted that as at this reporting date, the Company comes under the scope of this definition given that, on the basis of the verification performed on the financial statements closed as at December 31, 2021, the simple average of daily capitalizations calculated with reference to the original price, recorded during the corporate year, as envisaged by Art. 2-ter, point 1, letter (a) of the Issuers' Regulation, totals less than the Euro 500 million threshold, insofar as the above-specified capitalization comes to approximately Euro 157 million on the basis of an average price of Euro 8.9 per share.

Personal data protection

The Orsero Group has taken action to best fulfill the obligations envisaged by EU Regulation 679/2016, instituting a series of procedures aimed at guaranteeing constant conformity with the provisions of the law and a high degree of confidentiality of customer information, in accordance with the provisions of GDPR 679/2016.
The processing carried out by the Orsero Group is based on lawfulness, correctness, transparency, limitation of purpose, data minimization, precision, storage limitation, integrity and confidentiality, as well as the new standard of accountability introduced by the Regulation.
The company has implemented organizational, physical and logical security measures to guarantee the protection of personal data in compliance with the provisions of EU Regulation 2016/679 and Italian Legislative Decree no. 2003/196.
The Group has established the position of Chief Information Officer in order to ensure the security of the Group's information, thus defining a strategy to protect all corporate assets, limiting any possible cyber risk. This figure has become indispensable in view of the increasing importance of "cyber security", covering a fundamental function in guaranteeing the security of the Group, in line with the new European regulations concerning the protection of information systems, networks and data.

Significant events after 2021 year-end close

As of the date of this Report, there have been no particularly significant events.
Insofar as it is neutral from a consolidation point of view, the merger of Moncada Frutta S.r.l. into Fruttital S.r.l. took effect on January 1, as part of the rationalization and simplification of the Group's operating structure in Italy.
In addition, as reported in the SDIR press release of January 25, a further 25,000 treasury shares were purchased, bringing the total number of shares at the date of this report to 327,514, for a total value of Euro 2,846 thousand.
With reference to the most recent evolutions of the Covid-19 pandemic, the Group's management continues to follow and monitor developments in order to reduce risks for its personnel and maintain an efficient distribution logistics chain.
More than Covid-19, however, the management's attention is now focused on the evolution of the effects linked to rising prices, in particular energy prices, and the possible repercussions on the logistics chain as well as on the population's propensity to consume, originating not only from the post-pandemic economic recovery but also, and to an extent difficult to predict, from the serious conflict in Ukraine.

Outlook for the Orsero Group

The Group's priority will continue to be the sustainable growth of its business, while guaranteeing employee safety as a top priority. Indeed, as already noted, the Group has continued over this two-year period marked by Covid-19 with its activities by very rapidly adopting all safety behaviors and measures specified by the authorities of the countries involved, implementing all new protocols and safety measures over time. Within the context of the Covid-19 pandemic, procurement from suppliers has to date been confirmed for the Group, as well as the logistics and goods transport activities that ensure business continuity.
With reference to the economic outlook for 2022, there is currently great uncertainty linked to developments in the situation in Ukraine and trends in inflation, which has reached levels not seen for over 20 years, and its possible negative impact on final consumption. Nonetheless, given the nature of our business linked to staple food products, and the presence of the Group's owned fleet which can benefit positively from increases in freight rates applied to third party customers, in 2022 the Group aims to improve on the already good result of the previous year, as illustrated in the 2022 Guidance distributed with the SDIR press release of February 1.
On a more general note, the Group continues to be confident in the possibility of growing its business thanks to its strong competitive positioning and solid financial structure, evaluating possible acquisitions in areas in which the Group intends to grow in the short to medium term. Please refer to the Investor section of the institutional website for further details on strategies. Furthermore, it will seek to improve on operating synergies and overhead costs.
The Group confirms its commitment to taking all necessary actions to protect the profitability of its operations and to providing significant updates in a timely manner.

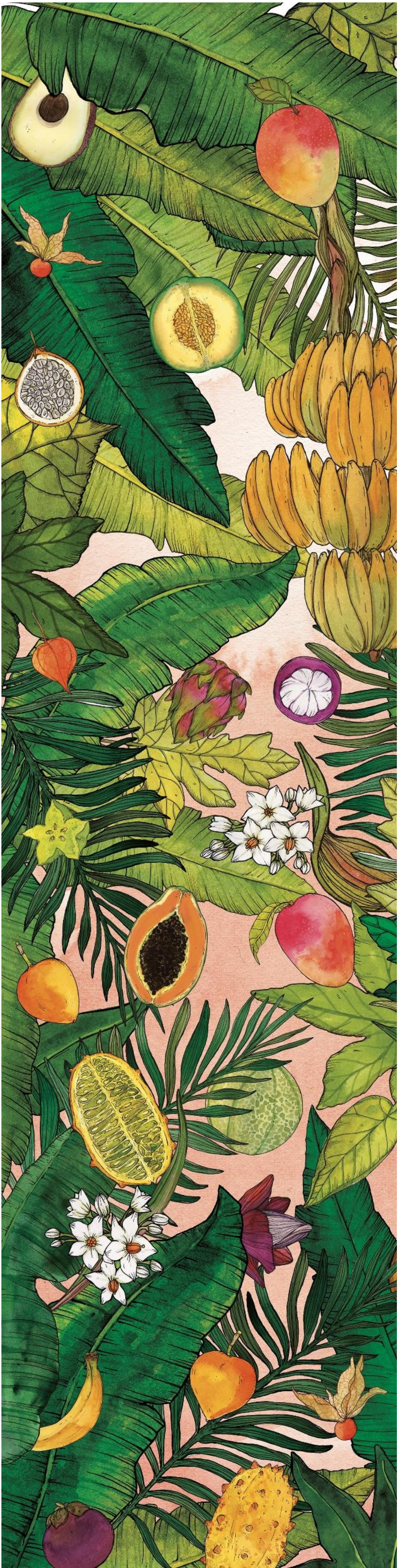
Financial Statements as at December 31, 2021 of Orsero S.p.A. - Proposed resolution

Shareholders,
Following your review of the financial statements as at December 31, 2021, we propose:

1) approving the financial Statements as at December 31, 2021 of Orsero S.p.A.;
2) allocating the 2021 profit of Euro 7,010,854 as follows:

- Euro 350,543 to the legal reserve;
- Euro 1.453.815,20 to the extraordinary reserve; and
- with regard to the remaining amount of Euro 5,206,495,80, equal to 74,26% of the profit, to be allocated to the Company's shareholders as a dividend, and therefore for a unit amount of Euro 0.30 (excluding the 327,514 treasury shares held in the Company's portfolio), with an ex-dividend date of May 9, 2022 (ex-date), the date of entitlement to payment, pursuant to Article 83-terdecies of Italian Legislative Decree no. 58/1998, as amended, ("Consolidated Law on Finance") (record date) of May 10, 2022 and date for payment of the dividend of May 11, 2022.

On behalf of the Board of Directors
The Chairman
Paolo Prudenziati



Consolidated Financial Statements as at December 31, 2021

Consolidated Financial Statements

Consolidated statement of financial position[1][2]

Thousands of euro	NOTES	31.12.2021	31.12.2020
ASSETS			
Goodwill	1	48,245	48,426
Intangible assets other than Goodwill	2	9,022	7,263
Property, plant and equipment	3	164,407	166,582
Investments accounted for using the equity method	4	14,753	6,175
Non-current financial assets	5	6,243	5,359
Deferred tax assets	6	8,492	8,999
NON-CURRENT ASSETS		**251,161**	**242,804**
Inventories	7	43,333	35,331
Trade receivables	8	113,677	115,479
Current tax assets	9	11,254	12,256
Other receivables and other current assets	10	14,182	12,625
Cash and cash equivalents	11	55,043	40,489
CURRENT ASSETS		**237,489**	**216,179**
Non-current assets held for sale		**-**	**-**
TOTAL ASSETS		**488,650**	**458,983**
Share Capital		69,163	69,163
Other Reserves and Retained Earnings		87,733	78,237
Profit/loss attributable to Owners of Parent		18,290	12,217
Equity attributable to Owners of Parent	**12**	**175,186**	**159,617**
Non-controlling interests	**13**	**668**	**494**
EQUITY		**175,854**	**160,111**
LIABILITIES			
Financial liabilities	14	98,248	103,347
Other non-current liabilities	15	1,057	1,240
Deferred tax liabilities	16	4,081	5,048
Provisions	17	5,326	4,386
Employees benefits liabilities	18	9,761	9,861
NON-CURRENT LIABILITIES		**118,473**	**123,882**
Financial liabilities	14	42,518	40,689
Trade payables	19	126,854	112,912
Current tax liabilities	20	4,142	3,703
Other current liabilities	21	20,811	17,686
CURRENT LIABILITIES		**194,324**	**174,990**
Liabilities directly associated with non-current assets held for sale		**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**488,650**	**458,983**

[1] The notes commenting on the individual items are an integral part of these Consolidated Financial Statements
[2] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Consolidated Financial Statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006"

Consolidated income statement [1,2]

Thousands of euro	NOTES	Year 2021	Year 2020
Net sales	22-23	1,069,776	1,041,535
Cost of sales	24	(975,562)	(953,725)
Gross profit		**94,214**	**87,810**
General and administrative expense	25	(71,071)	(67,650)
Other operating income/expense	26	(19)	(1,397)
Operating result		**23,125**	**18,763**
Financial income	27	352	252
Financial expense and exchange rate differences	27	(3,665)	(3,943)
Other investment income/expense	28	4	813
Share of profit/loss of associates accounted for using equity method	28	1,019	795
Profit/loss before tax		**20,835**	**16,679**
Income tax expense	29	(2,327)	(4,411)
Profit/loss from continuing operations		**18,508**	**12,269**
Profit/loss from discontinued operations		-	-
Profit/loss		**18,508**	**12,269**
Profit/loss attributable to non-controlling interests		**219**	**52**
Profit/loss attributable to Owners of Parent		**18,290**	**12,217**

Euro	NOTES	Year 2021	Year 2020
Earnings per share "base" in euro	31	**1.045**	**0.119**
Earning per share "Fully Diluted" in euro	31	**1.045**	**0.117**

[1] The notes commenting on the individual items are an integral part of these Consolidated Financial Statements
[2] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Consolidated Financial Statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006"

Consolidated Statement of Comprehensive Income [1][2]

Thousands of euro	NOTES	Year 2021	Year 2020
Profit/loss		**18,508**	**12,269**
Other comprehensive income that will not be reclassified to profit/loss, before tax	18	77	(535)
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	29	(30)	139
Other comprehensive income that will be reclassified to profit/loss, before tax	14	2,556	(753)
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	29	(496)	232
Comprehensive income		**20,615**	**11,351**
Comprehensive income attributable to non-controlling interests		**219**	**52**
Comprehensive income attributable to Owners of Parent		**20,397**	**11,299**

[1] The notes commenting on the individual items are an integral part of these Consolidated Financial Statements
[2] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Consolidated Financial Statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006"

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Consolidated cash flow statement [1234]

Thousands of euro	Notes	Year 2021	Year 2020
A. Cash flows from operating activities (indirect method)			
Profit/loss		**18,508**	**12,269**
Adjustments for income tax expense	29	2,327	4,411
Adjustments for interest income/expense	27	3,301	3,782
Adjustments for provisions	24-25	2,408	1,809
Adjustments for depreciation and amortisation expense and impairment loss	24-25	24,994	24,180
Change in inventories	7	(8,002)	1,360
Change in trade receivables	8	1,473	8,579
Change in trade payables	19	13,942	(17,384)
Change in other receivables/assets and in other liabilities		3,491	5,873
Interest received/(paid)	27	(3,352)	(3,386)
(Income taxes paid)	29	(4,007)	(3,501)
Cash flow from operating activities (A)		**55,083**	**37,993**
B. Cash flows from investing activities			
Purchase of property, plant and equipment	3	(28,546)	(36,739)
Proceeds from sales of property, plant and equipment[5]	3	6,716	29,241
Purchase of intangible assets	1-2	(2,678)	(4,804)
Proceeds from sales of intangible assets	1-2	110	-
Purchase of interests in investments accounted for using equity method	4	(8,941)	(795)
Proceeds from sales of investments accounted for using equity method	4	362	1,173
Purchase of other non-current assets	5-6	(1,159)	-
Proceeds from sales of other non-current assets	5-6	784	1,141
(Acquisitions)/disposal of investments in controlled companies, net of cash		-	(198)
Cash Flow from investing activities (B)		**(33,351)**	**(10,981)**
C. Cash Flow from financing activities			
Increase/decrease of financial liabilities	14	(4,225)	(10,666)
Drawdown of new long-term loans	14	27,348	25,777
Pay back of long-term loans[5]	14	(27,534)	(55,108)
Capital increase and other changes in increase/decrease	12-13	2,459	(2,237)
Disposal/purchase of treasury shares	12-13	(1,631)	(851)
Dividends paid	12-13	(3,594)	-
Cash Flow from financing activities (C)		**(7,177)**	**(43,086)**
Increase/decrease in cash and cash equivalents (A ± B ± C)		**14,555**	**(16,074)**
Cash and cash equivalents at 1° January 21-20	**11**	**40,489**	**56,562**
Cash and Cash equivalents at 31 December 21-20	**11**	**55,043**	**40,489**

[1] The notes commenting on the individual items are an integral part of these Consolidated Financial Statements
[2] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Consolidated Financial Statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006"
[3] The data relating to the acquisition/sale of subsidiaries, net of liquid funds, is evidenced in the paragraph on "Changes in the scope of consolidation during the year and thereafter"
[4] Refer to Notes 9-10-15-16-17-18-20-21 for the item "Changes in other receivables/assets and other payables/liabilities".
[5] It should be noted that these items, with regard to the previous year, include the reduction in rights of use (pursuant to IFRS 16) and the relative liability following the purchase of warehouses previously leased, as explained in detail in Notes 3 and 14.

Consolidated statement of changes in shareholders' equity[1][2]

Thousands of euro NOTE 12-13	Share Capital	Treasury Shares	Reserve of shareholding acquisition costs	Legal Reserve	Share Premium Reserve	Reserve of exchange differences on traslation	Reserv of remeasurement of defined benefit plans	Reserve of cash flow hedges	Reserve of share-based payments	Other Reserves	Retained earnings	Profit/loss, attributable to Owners of the parent company	Equity attributable to Owners of the parent company	Non-controlling interests	Total equity
December 31, 2019	**69,163**	**(7,426)**	**(153)**	**321**	**80,556**	**(1,342)**	**(901)**	**(410)**	**4,470**	**(5,044)**	**8,965**	**2,022**	**150,221**	**710**	**150,931**
Allocation of the profit/loss	-	-	-	75	-	-	-	-	-	-	1,947	(2,022)	**-**	-	-
Issued of equity	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	-
Increase/decrease through transfers equity	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	-
Dividends paid	-	2,456	-	-	(2,456)	-	-	-	-	-	-	-	**-**	-	**-**
Other comprehensive income net of taxes, gains/losses on remeasurement of defined benefit plans	-	-	-	-	-	-	(395)	-	-	-	-	-	**(395)**	-	**(395)**
Other comprehensive income, net of taxes, cash flow hedges, bunker	-	-	-	-	-	-	-	254	-	-	-	-	**254**	-	**254**
Other comprehensive income net of taxes, cash flow hedges, interest rate	-	-	-	-	-	-	-	(121)	-	-	-	-	**(121)**	-	**(121)**
Other comprehensive income net of taxes, cash flow hedges, exchange rate	-	-	-	-	-	-	-	(654)	-	-	-	-	**(654)**	-	**(654)**
Purchase of treasury shares	-	(851)	-	-	-	-	-	-	-	-	-	-	**(851)**	-	**(851)**
Increase/decrease through share-based payment transactions	-	3,191	-	-	-	-	-	-	(4,470)	-	1,279	-	**-**	-	-
Change of consolidation scope	-	1,688	-	-	(662)	-	-	-	-	-	-	-	**1,026**	-	**1,026**
Other changes	-	-	-	-	-	(1,537)	-	-	-	(37)	(506)	-	**(2,080)**	(268)	**(2,347)**
Profit/loss	-	-	-	-	-	-	-	-	-	-	-	12,217	**12,217**	52	**12,269**
Total changes	**-**	**6,484**	**-**	**75**	**(3,118)**	**(1,537)**	**(395)**	**(521)**	**(4,470)**	**(37)**	**2,720**	**10,195**	**9,396**	**(216)**	**9,179**
December 31, 2020	**69,163**	**(942)**	**(153)**	**396**	**77,438**	**(2,879)**	**(1,297)**	**(931)**	**-**	**(5,081)**	**11,685**	**12,217**	**159,617**	**494**	**160,111**

[1] The notes commenting on the individual items are an integral part of these Consolidated Financial Statements

[2] In accordance with Consob resolution no. 15519 of 7/27/2006, the effects of related party transactions are given in the explanatory notes to the Consolidated Financial Statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/06"

Thousands of euro NOTE 12-13	Share Capital	Treasury Shares	Reserve of shareholding acquisition costs	Legal Reserve	Share Premium Reserve	Reserve of exchange differences on traslation	Reserv of remeasurement of defined benefit plans	Reserve of cash flow hedges	Reserve of share-based payments	Other Reserves	Retained earnings	Profit/loss, attributable to Owners of the parent company	Equity attributable to Owners of the parent company	Non-controlling interests	Total equity
December 31, 2020	**69,163**	**(942)**	**(153)**	**396**	**77,438**	**(2,879)**	**(1,297)**	**(931)**	**-**	**(5,081)**	**11,685**	**12,217**	**159,617**	**494**	**160,111**
Allocation of the profit/loss	-	-	-	251	-	-	-	-	-	1,256	10,711	(12,217)	**-**	-	-
Issued of equity	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	-
Increase/decrease through transfers equity	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(3,506)	-	**(3,506)**	(88)	**(3,594)**
Other comprehensive income net of taxes, gains/losses on remeasurement of defined benefit plans	-	-	-	-	-	-	48	-	-	-	-	-	**48**	-	**48**
Other comprehensive income, net of taxes, cash flow hedges, bunker	-	-	-	-	-	-	-	298	-	-	-	-	**298**	-	**298**
Other comprehensive income net of taxes, cash flow hedges, interest rate	-	-	-	-	-	-	-	300	-	-	-	-	**300**	-	**300**
Other comprehensive income net of taxes, cash flow hedges, exchange rate	-	-	-	-	-	-	-	1,302	-	-	-	-	**1,302**	-	**1,302**
Purchase of treasury shares	-	(1,631)	-	-	-	-	-	-	-	-	-	-	**(1,631)**	-	**(1,631)**
Increase/decrease through share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	-
Change of consolidation scope	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	-
Other changes	-	-	-	-	-	160	(23)	-	-	(4)	336	-	**469**	43	**512**
Profit/loss	-	-	-	-	-	-	-	-	-	-	-	18,290	**18,290**	219	**18,508**
Total changes	**-**	**(1,631)**	**-**	**251**	**-**	**160**	**24**	**1,900**	**-**	**1,252**	**7,540**	**6,073**	**15,569**	**174**	**15,743**
December 31, 2021	**69,163**	**(2,572)**	**(153)**	**647**	**77,438**	**(2,719)**	**(1,272)**	**969**	**-**	**(3,829)**	**19,225**	**18,290**	**175,186**	**668**	**175,854**

Certification of the Consolidated Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999, as amended

1. The undersigned Giacomo Ricca, Corporate Accounting Reporting Officer of the Orsero Group, taking into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998, hereby certifies:
   - the adequacy, considering the Company's characteristics, and
   - the effective application of administrative and accounting procedures for the preparation of the consolidated financial statements during the period closed as at December 31, 2021.
2. No significant issues arose.
3. It is further certified that:

3.1 The consolidated financial statements:

a) are prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002;

b) coincide with the underlying books and accounting records;

c) provide a true and correct representation of the financial position of the issuer and the group of companies included in the scope of consolidation.

3.2 The Report on Operations, prepared in a single format for both the separate and consolidated financial statements, contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group of companies included in the scope of consolidation and a description of the main risks and uncertainties they are subject to.

Milan, March 15, 2022

Giacomo Ricca

Corporate Accounting

Reporting Officer

Notes to the Consolidated Financial Statements as at December 31, 2021

General information

Orsero S.p.A. (the "Parent Company" or the "Company" and, together with its subsidiaries, the "Group" or the "Orsero Group") is a company with its shares listed on the STAR segment of the telematic stock exchange (MTA) since December 23, 2019. Orsero S.p.A. is a company with legal personality, organized under the laws of the Republic of Italy. The registered office of the Parent Company and, thus, of the Group is Corso Venezia 37, Milan, Italy. The Orsero Group has a consolidated presence both directly and indirectly through its subsidiaries and/or associates in Europe, Mexico and Latin America, although it mainly operates in Europe.
As at December 31, 2021, the Company's share capital totals Euro 69,163,340.00, divided up into 17,682,500 ordinary shares with no nominal value.
The Group's business is focused on the import and distribution of fruit and vegetables, identifying three business units: Distribution, Shipping and Holding & Services.

Form and content of the consolidated financial statements and other general information

Statement of compliance with the IFRS and preparation criteria
The Group Consolidated Financial Statements as at December 31, 2021, prepared on the basis that the Parent Company and its subsidiaries continue to operate as a going concern, were prepared in accordance with Art. 2 and 3 of Italian Legislative Decree no. 38 of 2/28/2005 and in compliance with the International Financial Reporting Standards (IFRS), the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), endorsed by the European Commission as per the procedure envisaged by Regulation (EC) 1606/2002, issued by the European Parliament and Council in July 2002 and in force as at the reporting date, as well as with the previous International Accounting Standards (IAS). Hereinafter in the Consolidated financial statements, to simplify matters, all these standards and interpretations will together be defined as "IFRS".
In preparing this document, consideration was given to the provisions of Art. 9 of Italian Legislative Decree no. 38 of 2/28/2005, the provisions of the Italian Civil Code, Consob Resolutions no. 15519 ("Provisions on the financial statements tables to be issued in implementation of Art. 9, paragraph 3 of Italian Legislative Decree no. 38 of 2/28/2005") and no. 15520 ("Amendments and supplements to the regulation setting out provisions implementing Italian Legislative Decree no. 58/1998"), both dated July 27, 2006, and those of Consob communication no. DEM/6064293 of July 28, 2006 ("Corporate disclosure of listed issuers and issuers with financial instruments disseminated amongst the public pursuant to Art. 116 of the TUF") and Art. 78 of the Issuers' Regulation. It is specified that with reference to Consob Resolution no. 15519 of July 27, 2006 on the financial statements tables, specific additional tables have been added representing the statement of financial position, the income statement, the statement of comprehensive income and the statement of cash flows, highlighting significant related party transactions and the effects of non-recurring income and expense in order to avoid compromising the overall legibility of the financial statements tables.
The Group's consolidated financial statements are presented in Euro, the functional currency in economies in which the Group mainly operates, and the amounts indicated on the consolidated accounting schedules and the notes are stated in thousands of euros. These consolidated financial statements are compared with last year's consolidated financial statements, which were prepared applying the same criteria except for that described in the paragraph entitled "Accounting standards, amendments and IFRS interpretations applied starting January 1, 2021". It should be noted, in fact, that the accounting standards applied are in line with those adopted in preparing the consolidated statement of financial position at December 31, 2020, as well as the 2020 income

statement, in accordance with IFRS. With regard to the comparability of the data, it should be noted that in 2020 the company Moncada Frutta was fully consolidated, with effect from July 1, 2020.

The consolidated financial statements have been drawn up in accordance with the general historical cost principle, with the exception of financial assets, derivative instruments and inventories of fruit stock ripening, measured at fair value. Please also note that the directors have prepared the consolidated financial statements in accordance with paragraphs 25 and 26 of IAS 1 due to the strong competitive position, high profitability, and soundness of the equity and financial structure achieved.
The IFRS were applied on a consistent basis with the indications provided in the "Framework for the preparation and presentation of financial statements" and no critical issues which required derogations in accordance with paragraph 19 of IAS 1, arose.
Assets and liabilities are stated separately, without netting.
On March 15, 2022, the Board of Directors of the Parent Company approved the draft separate and consolidated financial statements of Orsero S.p.A. and authorized their publication. To prepare the consolidated financial statements, the financial statements as at December 31, 2021 of the Parent Company Orsero S.p.A. and its subsidiaries, associates and joint ventures included in the scope of consolidation were used, as detailed below, approved by the respective Boards and/or Management Bodies. The consolidated financial statements as at December 31, 2021 were audited by KPMG S.p.A.

Content and form of the consolidated financial statements
The Consolidated Financial Statements consist of the statement of financial position, income statement, statement of comprehensive income, statement of cash flows, statement of changes in equity and these notes, applying the provisions of IAS 1 "Presentation of the financial statements". The Group has adopted the following consolidated financial statements:

- consolidated statement of financial position, which divides assets, liabilities and equity as well as classifying assets and liabilities as current and non-current;
- consolidated income statement, in which costs are presented using the "allocation" classification, a structure considered more representative than presentation by "nature" of the costs and revenues;
- consolidated statement of comprehensive income, which reports revenue and cost items that are not recognized in profit (loss) for the year as required or permitted by IFRS;
- consolidated statement of cash flows, presented using the "indirect method";
- consolidated statement of changes in equity reporting all changes during the year under review.

The choice of these statements allows the Group's equity, economic and financial situation to be represented in a truthful, correct, reliable and more relevant manner. The form chosen is, in fact, consistent with internal management reporting. Please also remember that with its Resolution no. 15519 of July 27, 2006, Consob asked that the accounts given in the financial statements should highlight, if of significant value, any additional sub-items to those already specifically required by IAS 1 and the other international accounting standards, so as to highlight separately from the items of reference, the amount of all related party transactions and positions, as well as, insofar as regards the income statement, the positive or negative items of income deriving from non-recurring or unusual transactions. This information requested has been included in Notes 26 and 34 and in Annex 2 "Financial statements tables stated in accordance with Resolution 15519/2006".

Consolidation principles and area

These consolidated financial statements include not only the financial statements of the Parent Company but also the line-by-line consolidation of the financial statements of the companies over which it has direct or indirect control. The Group also has equity investments in associates and other businesses, all entered as non-current assets. These equity investments are recorded using either the equity method or cost of purchase/subscription, including any ancillary costs.

Subsidiaries and consolidation criteria

Subsidiaries are consolidated from the date on which the Group effectively acquires control and cease to be consolidated from the date on which control is transferred outside the Group. Control over subsidiaries exists, as defined by standard IFRS 10, when the Parent Company is exposed to variable returns or has rights over such returns, deriving from its relationship with them and, at the same time, has the capacity to impact such returns, exercising its power over these entities; this above all consists of having the majority of the votes that can be cast and a dominant influence in the ordinary shareholders' meeting. The existence of control is reassessed whenever facts and circumstances indicate that there are changes to one of these defining elements of control. The consolidated accounting positions are prepared as at December 31, i.e. as at the reference date of the consolidated accounting position; they are generally those specifically prepared and approved by the Boards of Directors of the individual companies, duly rectified, where necessary, to standardize them with the Parent Company's accounting standards and make them consistent with the international accounting standards IAS/IFRS. Inactive subsidiaries, for which the specific dynamic of the consolidation means that no significant effects are seen, and those comprising insignificant fixed assets, both in terms of investments and equity and economic values, are excluded from the line-by-line consolidation. These businesses are instead measured using the criteria applied for equity investments in other companies.
Equity investments in subsidiaries are detailed in the paragraph on "List of companies consolidated on a line-by-line basis" and "List of other companies", whilst any changes in investment shares are explained in the paragraph on "*Changes to the consolidation area made during the year and thereafter*". The consolidation method used is line-by-line. The criteria adopted for line-by-line consolidation are described below.
the assets and liabilities, expenses and income of the fully consolidated entities are assumed line by line, attributing to minorities, where applicable the portion of equity and of net profit/loss for the year due to them; these portions are shown separately in the context of equity (under "Non-controlling interests") and of the income statement ("profit/loss attributable to non-controlling interests"). The book value of the equity investments held by the parent company and/or other companies of the Group is eliminated against the corresponding portion of shareholders' equity of the subsidiaries, assuming for the individual elements of assets and liabilities the current value at the date of acquisition of control. The positive difference between the carrying amount of the consolidated equity investments and the corresponding equity, adjusted to take into account the carrying amount as at the date of asset and liability acquisition, is attributed to the asset item "Goodwill"; if instead the difference is negative, it is recognized in the income statement as required by IFRS 3. The residual difference is recognized in such a way that the consolidated financial statements present:

- the Share capital, Legal reserve and Share premium, if any, of the Parent Company;
- the other specific reserves (i.e. Reserve for exchange rate differences on conversion, Reserve for revaluations of defined benefit plans, etc.) also at the level of the consolidated financial statements;
- profits and/or losses carried forward, representing the reserves of undivided profits and losses of the subsidiaries, modified where appropriate, to reflect consolidation adjustments.

The profit and loss deriving from the sale of investments in consolidated companies are allocated to equity attributable to shareholders of the parent company as transactions with shareholders for the amount corresponding to the difference between the price of sale and the corresponding portion of consolidated equity sold. If the sale results in the loss of control and, therefore the deconsolidation of the equity investment, the difference between the price of sale and the corresponding portion of consolidated shareholders' equity sold is noted as profit or loss on the

income statement. Inter-group balances and transactions, including any unrealized gains towards third parties deriving from relations entertained with Group companies, are derecognized net of the related tax effect, if significant. Unrealized losses are not derecognized if the transaction provides evidence of a reduction in value of the asset transferred. Please therefore note that with the consolidation procedure, credit and debt relations existing as at the reporting date among consolidated companies are derecognized, as are income and expense deriving from transactions implemented among Group companies consolidated on a line-by-line basis; the dividends received from companies consolidated using the line-by-line method are reversed, as is impairment booked on equity investments on the period financial statements. The elimination of inter-company items described above also includes any debits or credits of Italian consolidated subsidiaries with respect to the Parent Company as regards Corporate Income Tax (IRES). It should be noted that the Parent Company, together with almost all of the Italian subsidiaries, has adhered to the Group taxation scheme as provided by Arts. 117 *et seq.* of the TUIR.
The consolidated financial statements of Orsero are prepared in Euro as it represents the functional currency of the Parent Company Orsero and of all the companies included in the scope of consolidation, with the exception of:

- the Argentina-based company Rost Fruit S.A.;
- the Costa Rica-based companies Simbarica S.r.l. and Orsero Costa Rica S.r.l.;
- the Colombia-based company Simbacol S.A.S.;
- the Chile-based company Hermanos Fernández Chile S.A.;
- the Mexico-based companies Comercializadora de Frutas S.A.C.V. and Productores Aguacate Jalisco S.A.C.V.

The individual financial statements of each company belonging to the Group are prepared in the currency of the primary economic context in which it operates (functional currency). The conversion of the items of financial statements denominated in currencies other than the Euro is carried out applying current exchange rates at the end of the year. The income statement items are instead converted at average exchange rates of the year. Exchange rate conversion differences resulting from the comparison of the initial equity converted at current exchange rates and the same converted at historical exchange rates, are recognized under equity item "Reserve of exchange differences on traslation". The exchange rates used for the conversion into Euro of the financial statements of foreign subsidiaries, prepared in local currency, are shown in the following table:

	31.12.2021	Year 2021	31.12.2020	Year 2020
Argentine Peso	116.362	116.362	103.249	103.249
Costa Rican Colon	727.107	734.860	750.556	668.755
Colombian Peso	4,598.68	4,430.33	4,202.34	4,217.06
Mexican Peso	23.1440	23.9840	24.4160	24.5190
Chilean Peso	964.350	898.497	872.520	903.137

Associated companies and other companies

Associates are those over which the Group exerts significant influence, which is assumed to exist when the equity investment ranges between 20% and 50%. In the consolidated financial statements, equity investments in these types of companies are valued using the equity method.
In application of this method, the shares of the results of such companies are recorded in the consolidated financial statements from the date on which the significant influence begins until the date on which it ends, and the book value of these investments is aligned with the shareholders' equity of the companies, adjusted where necessary to reflect the application of IFRS, as well as any higher values attributed to assets and/or goodwill as determined at the time of the acquisition, with a process similar to that used for acquisitions of controlling interests.
Should the portion attributable to the Group of the loss recognized by an associate exceed the carrying amount of the investment (therefore, if the equity is negative), the value of the investment

is set to zero, and the share of additional losses is not recognized, except and to the extent in which the Group is obliged to take responsibility for it due to legal or implicit obligations of the investee, in which case it will be recognized in a specific provision. Gains and losses generated by transactions between Group companies and an investee valued with the equity method are eliminated on consolidation in proportion with the Group's interest in the investee, while dividends are eliminated in full. In the case of investee companies whose currencies are different from the Euro, the valuation is carried out by applying year-end exchange rates, with any differences arising from the translation of initial shareholders' equity items at current closing exchange rates compared with those applied at the end of the previous year posted directly to consolidated shareholders' equity. Significant shareholdings in associated companies are tested for impairment.
There are no significant restrictions on the capacity of associates valued at equity to transfer funds to the investor, to pay dividends or repay loans or advances. These equity investments are detailed in the paragraph on "List of companies consolidated using the equity method", whilst any changes in them are explained in the paragraph on "Changes to the consolidation area made during the year and thereafter".
Minor associated companies are excluded from consolidation with the equity method, since their consolidation does not produce significant effects. These businesses are instead measured using the criteria applied for equity investments in other companies.
The latter is a residual category, which includes companies in which the Group holds minority interests and over which it exercises no influence. These investments, which are immaterial in value, are valued at purchase or subscription cost, deemed representative of the relative fair value.

Disclosure on equity investments in other companies

The consolidated financial statements must be prepared in accordance with IFRS 12 "Disclosure of Interests in Other Entities", which includes all the disclosure provisions previously included in IAS 27 related to the consolidated financial statements as well as all the disclosures of IAS 31 and IAS 28 related to the equity investments of a company in subsidiaries, joint ventures, associates and structured vehicles and also provides for new disclosure cases. The purpose of the standard is to require an entity to disclose information that allows users of the financial statements to assess the nature and risks of its investments in other entities and the effects of such investments on the statement of financial position, on the economic result and on financial flows.

Scope of consolidation

The consolidation area is specifically detailed and is accompanied by further information as required by legislation, in particular IFRS 10 and 12 and Arts. 38 and 39 of Italian Legislative Decree no. 127/91, in these notes. Below are the lists of companies consolidated using the line-by-line method, as they are directly or indirectly controlled, of those valued using the equity method and those valued at cost.

List of companies consolidated on a line-by-line basis

Name	Head office	Investment percentage			Share Capital	Net profit*	Currency
		Direct	Indirect	Interest held by			
AZ France S.A.S	Cavaillon (Francia) - 56, Avenue JP Boitelet	100.00%			3,360,000	4,353,289	€
Bella Frutta S.A.	Atene (Grecia) - 4 Tavrou Str., Ag. Ioannis Rentis	100.00%			1,756,800	834,141	€
Comercializadora de Frutas S.A.C.V.	Tinguindin (Mexico) - Carretera Zamora-Los Reyes km. 37,5		100.00%	AZ France S.A.S.	3,299,376	15,033,896	pesos
Cosiarma S.p.A.	Genova (Italia) - via Operai 20	100.00%			2,600,000	13,370,291	€
Eurofrutas S.A.**	Alverca (Portogallo) - Estrada principal Casal das Areias 205	100.00%			1,100,753	(934,479)	€
Eurorticolas LDA**	Enxara dos Cavaleiros (Portogallo)2665-054 Enxra do Bispo Estrada das Azenhas		100.00%	Eurofrutas S.A.	150,000	(985)	€
Fresco Ships' A&F S.r.l.	Vado Ligure (Italia) - Via Trieste, 25	100.00%			258,000	408,132	€
Fruttica S.A.S.***	Cavaillon (Francia) - 89, Chemin du Vieux Taillades		100.00%	Postifruits S.A.S.	100,000	865,555	€
Fruttital S.r.l.	Milano (Italia) - Via C. Lombroso, 54	100.00%			5,000,000	5,923,111	€
Fruttital Firenze S.p.A.	Firenze (Italia) - Via S. Allende 19 G1	100.00%			300,000	(25,935)	€
Galandi S.p.A.	Firenze (Italia) - Via S. Allende 19 G1	100.00%			500,000	(67,507)	€
Thor S.r.l.	Milano (Italia) - Corso Venezia 37	100.00%			10,000	31,463	€
GF Produzione S.r.l.	Milano (Italia) - Corso Venezia 37	100.00%			100,000	(19,768)	€
GF Solventa S.L.	Barcelona (Spagna) - MERCABARNA, Calle Longitudinal 7, 83		99.96%	Hermanos Fernández López S.A.	50,000	13,289	€
GP Frutta S.r.l.***	Canicattì (Italia) - Via S. Sammartino 37		100.00%	Postifruits S.A.S.	10,000	52,579	€
Hermanos Fernández López S.A.	Cox (Alicante) - Avenida de la Industria, s/n P.I. San Fernando	100.00%			258,911	2,444,503	€
Hermanos Fernández Chile S.p.A.	Las Condes (Chile) - Avenida Vitacura 2909		100.00%	Hermanos Fernández López S.A.	10,000,000	-1,193,191	pesos
Isa Platanos S.A.	La Laguna - Tenerife (Spagna) - Los Rodeos Edificio Star		100.00%	Hermanos Fernández López S.A.	641,430	319,731	€
Kiwisol LDA**	Folgosa (Portogallo) - Rua de Santo Ovidio 21		99.75%	Eurofrutas S.A.	523,738	(173,357)	€
Moncada Frutta S.r.l.	Ispica (RG) - Contrada Salmeci SN	100.00%			100,000	(2,006)	€
Orsero Costa Rica S.r.l.	San Jose de Costa Rica - Oficientro Ejecutico La Sabana Edificio torre 1		100.00%	Cosiarma S.p.A.	215,001,000	96,625,895	colones
Orsero Progetto Italia Società Agricola A.r.l.	Molfetta (Italia) - Via degli Industriali 6 -Zona ASI	100.00%			100,000	(12,364)	€
Orsero Servizi S.r.l.	Milano (Italia) - Corso Venezia 37	100.00%			100,000	(70,797)	€
Postifruits S.A.S.***	Cavaillon (Francia) - 89, Chemin du Vieux Taillades		100.00%	AZ France S.A.	7,775	1,211,484	€
Productores Aguacate Jalisco S.A.C.V.	Ciudad Guzman (Mexico) - Constitucion 501 Centro C.P. 49000		70.00%	Comercializadora de Frutas S.A.C.V.	12,646,666	17,527,343	pesos
R.O.S.T. Fruit S.A.	Buenos Aires (Argentina) - Corrientes 330 - 6° 612	80.00%	20.00%	GF Produzione S.r.l.	24,096,320	3,197,934	pesos
Simba S.p.A.	Milano (Italia) - Corso Venezia 37	100.00%			200,000	45,924	€
Simbacol S.A.S.	Medellin (Colombia) - Carr. 25 1 A SUR 155 OF 1840		100.00%	Simba S.p.A.	50,172,500	33,165,000	pesos
Simbarica S.r.l.	San Jose de Costa Rica - Oficientro Ejecutico La Sabana Edificio torre 1		100.00%	Simba S.p.A.	100,001,000	(4,975,460)	colones

* Please note that the net profits of the consolidated companies are in accordance to IFRS principles

** Companies include in the Eurofrutas's consolidated reporting; pleae note that the net profits are in accordance to IFRS principles

*** Companies include in the Fruttica's consolidated reporting; pleae note that the net profits are in accordance to IFRS principles

List of companies valued using the equity method

Name	Head office	Investment percentage			Share Capital	Currency
		Direct	Indirect	Interest held by		
Agricola Azzurra S.r.l.	via Salvador Allende 19, Firenze	50%			200,000	€
Fruport Tarragona S.L.	Moll de Reus Port de Tarragona (Spain)	49%			82,473	€
Bonaoro S.L.	Santa Cruz de Tenerife (Spain)Carretera General del Norte, 23, La Vera Orotava (LA)		50%	Hermanos Fernández López S.A.	2,000,000	€
Moño Azul S.A.	Moño Azul s.a.c.i y A., Buenos Aires, Tucumàn 117, Piso 8°, Argentine.		19%	Fruttital S.r.l.	367,921,764	pesos

List of other associated companies:

Name	Head office	Investment percentage			Share Capital	Currency
		Direct	Indirect	Interest held by		
Citrumed S.A.	Bouargoub (Tunisian) Borj Hfaïedh - 8040		50.00%	AZ France S.A.S.	1,081,000	dinari
Decofruit Bcn S.L.	Barcellona (Spain) - Calle Sicilia 410		40.00%	Hermanos Fernández López S.A.	20,000	€

In 2021 the liquidation was finalized of the company Fruttital Sicilia S.r.l., which has always been inactive and in which the Group held a 50.1% stake that for some time now has been recognized at a book value of Euro 1 only for reference purposes.
The associates mentioned above have marginal levels of activity in relation to the size of the Group and are entered at purchase or subscription cost, which is considered representative of the related fair value that is reduced for any impairment losses.

Business combinations

Business combinations are recognized in compliance with IFRS 3 according to the "acquisition method", which entail the recognition in the consolidated financial statements of assets and liabilities of the combined company as if they had been individually acquired. The consideration paid in a business combination is measured at fair value, determined as the sum of the fair values at the acquisition date, of the assets transferred by the acquiring company to the former shareholders of the acquired company, of the liabilities incurred by the acquiring company for these assets, and equity interests issued by the acquiring company. With respect to the above, it should be noted that the other classes of assets and liabilities (such as deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or capital instruments related to share-based payments of the company acquired and assets and liabilities held for sale) are instead allocated according to their reference standard. The costs related to the acquisition are recorded as expenses in the periods in which they are incurred. In the event of business combinations that occur in stages, the investment previously held by the Group in the acquired company is restated at fair value on the date control is acquired, and any resulting profit or loss is recognized in the income statement. Goodwill is recognized on the date the Group assumes control of the entity and is measured as the difference between:

- the consideration paid,
- the net value, at the acquisition date, of the identifiable assets acquired and the liabilities assumed, measured at fair value.

If the fair value of the net identifiable asset acquired is greater than the consideration paid, the resulting difference is recognized in the income statement as income deriving from the transaction, on the acquisition date, after verifying if the fair value of the acquired assets and liabilities is correct. If, at the end of the year in which the business combination took place, the initial recognition of a business combination is incomplete, it must be recognized using provisional values. Adjustments to the provisional values recorded at the acquisition date are recognized retroactively to reflect the new information obtained on the facts and circumstances at the acquisition date that, had they been known, would have affected the measurement of the amounts recognized on that date. The measurement period lasts for 12 months from the acquisition date. Any contingent consideration defined in the business combination agreement is measured at the acquisition-date fair value and included in the value of the consideration transferred in the business combination for the purpose of the calculation of goodwill. Any subsequent changes to that fair value, which can be classified as adjustments occurring during the measurement period, are included in goodwill, retrospectively. After the initial recognition, goodwill is measured at cost net accumulated amortization and write-downs. The methodological process used for the first line-by-line consolidation of the acquired companies as required by the reference accounting standards is provided below. The acquisitions were recorded in compliance with IFRS 3 on the business combinations that envisage conformity in the phases provided for in applying the acquisition method:

- determination of the date control is acquired,
- determination of the total consideration for the acquisition,
- recognition and measurement of identifiable assets acquired and liabilities assumed,
- recognition and measurement of goodwill or any profit generated by an acquisition at favorable prices,
- definition of Cash Generating Units and allocation of goodwill,
- definition of the measurement period, determination of the elements included in the business combination transaction, including ancillary costs to the acquisition.

Changes in the consolidation area made during the year and thereafter

There were no significant changes in the scope of subsidiaries consolidated on a line-by-line basis during 2021. On the other hand, an important transaction was carried out regarding the acquisition of a 50% stake in Agricola Azzurra S.r.l., which is consolidated using the equity method.
Although without effects at consolidated level, note that the company Moncada Frutta S.r.l. was merged into Fruttital S.r.l. with effect from January 1, 2022, as part of the simplification/rationalization of the operating structure in Italy.
Following the above transaction, the corporate structure (in a summary version, but more representative) is more streamlined and direct as shown below:

SHIPPING	DISTRIBUTION		HOLDING & SERVICES
COSIARMA -ITALY-	FRUTTITAL -ITALY-	H.NOS FERNÁNDEZ LÓPEZ -SPAIN-	ORSERO SPA -ITALY-
ORSERO CR -COSTA RICA-	FRUTTITAL FIRENZE -ITALY-	AZ FRANCE -FRANCE-	FRESCO FORW. AGENCY -ITALY-
	GALANDI -ITALY-	FRUTTICA -FRANCE-	ORSERO SERVIZI -ITALY-
	AGRICOLA AZZURRA -ITALY 50%-	EUROFRUTAS -PORTUGAL-	FRUPORT -SPAIN 49%-
	SIMBA -ITALY-	BELLA FRUTTA -GREECE-	
	SIMBACOL -COLOMBIA-	COMM. DE FRUTA ACAPULCO -MEXICO-	
		BONAORO -SPAIN 50%-	

Valuation criteria

Below are the main criteria adopted for the preparation of the consolidated financial statements at December 31, 2021; the valuation criteria are applied uniformly to the Parent Company and to all consolidated companies. When, in relation to specific events or as a result of the development of accounting practice, a change is made in the accounting standards applied in a year, the Notes are intended to provide all the appropriate explanations to allow comparison with the previous year, if necessary by providing for the correction/re-alignment of the figures of the related financial statements. Please note that in preparing the consolidated financial statements as at December 31, 2021, the same consolidation standards and the same measurement criteria were applied as used to prepare the consolidated financial statements as at December 31, 2020, with the exception of what is set forth in the section "Accounting standards, amendments and IFRS and IFRIC interpretations applied from January 1, 2021".

Goodwill

If businesses are acquired, the assets, liabilities and potential liabilities acquired and identifiable are booked at current (fair) value, as at the date of acquisition. The positive difference between the price paid for the acquisition and the interest held by the shareholders of the Parent Company in the present value of the assets and liabilities acquired is classified as "Goodwill". Any negative difference (badwill) is instead recognized in the income statement at the time of acquisition. Goodwill is posted as an asset with an undefined useful life and is not subject to amortization, and the recoverability of the recognized value is verified at least annually and in any case when events occur that may lead to an impairment, taking into account the criteria set out in IAS 36. Impairment is recognized in the income statement and is not subsequently reinstated. In the event of the disposal of a subsidiary, the net value of goodwill attributable to it is included in the determination of the capital gain or loss from the disposal. In order to determine the impairment testing, goodwill is considered as allocated to the individual cash generating units (or "CGUs") representing the financially independent business units through which the Group operates.

Intangible assets other than goodwill

Intangible assets other than goodwill are assets that are not physical, identifiable, controlled by the Group, and that can produce future economic benefits.
Intangible assets other than goodwill are recognized as assets in accordance with IAS 38 - Intangible Assets, when they are identifiable, it is likely that their use will generate future economic benefits and the cost can be reliably determined. These assets are stated at purchase or production cost, inclusive of all ancillary expenses incurred, and amortized on a straight-line basis over their useful lives. Intangible assets with definite useful life are amortized systematically from the time the asset is available for use for the period of their expected usefulness. The useful life is reviewed annually and any changes, where necessary, are made with prospective application. The recoverability of their value is verified according to the criteria set forth in IAS 36. Costs incurred subsequently are capitalized only when the expected future economic benefits which are attributable to the asset they refer to are increased. All other subsequent costs are allocated to profit and loss during the year in which they are incurred.
Costs incurred internally for the development of new products and services (mainly software costs) are intangible assets generated internally, recognized as assets only if all of the following conditions are met: existence of technical feasibility and intention to complete the asset so as to make it available for use or sale, the Group's ability to use or sell the asset, existence of a market for products and services resulting from the asset or its usefulness for internal purposes, existence of adequate technical and financial resources to complete the development and sale or internal use of the products and services that result from it, reliability of the cost recognition attributable to the asset during its development. Capitalized development costs, where existing, include only

expenses incurred that can be attributed directly to the development process and are amortized on a systematic basis from the beginning of production over the estimated product / service life.
Research costs are charged to the income statement in the year in which they are incurred.
Patents and intellectual property rights are mainly related to application software licenses, which are amortized on a straight-line basis over their contractual useful life. Concessions, licenses and trademarks are essentially related to the fees paid for the exercise of commercial activities located within the general markets and amortized on the basis of the duration of the concession, as well as the costs of using licensed software programs, amortized on average over a three-year period. These expenses are recognized as assets in accordance with IAS 38 "Intangible Assets", when it is likely that their use will generate future economic benefits and when their cost can be reliably determined.
Assets in progress and advances include the balance of investments in assets not yet in service at year-end and therefore not subject to amortization, but are subject to impairment testing, as required by IAS 36.
Other intangible assets purchased or produced internally are recognized as assets, if existing, in accordance with IAS 38 (Intangible Assets), when it is likely that their use will generate future economic benefits and when their cost can be reliably determined.
Other intangible assets recognized as a result of the acquisition of a company are recognized separately from goodwill if their current value can be determined reliably.

Property, plant and equipment

Property, plant and equipment are assets that are physical, identifiable, controlled by the Group, and that can produce future economic benefits. Tangible assets purchased or produced internally are recognized as assets in accordance with IAS 16 - Property, Plant and Equipment, when it is likely that their use will generate future economic benefits and when their cost can be reliably determined. They are recorded at historical cost of purchase, production or transfer, including the ancillary expenses required to make the asset available for use deducted from the cumulative accumulated depreciation and any write-downs made to adjust their value to the expected lower future utility. Subsequent costs are only capitalized when it is likely that the relative future economic benefits will be received by the Group.
Depreciation is calculated on the basis of economic/technical rates related to the expected useful life of the assets, the most representative of which are:

Category	*Useful life*
Land	Not depreciated
Buildings	20 – 33 years
Ships	24/25 years
Plants	7 – 10 years
Vehicles	4 – 5 years

In the event there is an impairment, the asset is written down, regardless of the depreciation already recorded; in subsequent periods if the reasons for the write-down are no longer valid, it is restored to its original value, net of accumulated depreciation that would have been allocated, had impairment not been applied, or the recoverable value, if lower. The recoverability of their value is verified according to the criteria set forth in IAS 36. The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.
Gains and losses arising from the sale or disposal of assets are determined as the difference between the sale proceeds and the net book value of the asset and are recognized in the income statement for the year.
Any financial expense incurred for the purchase or production of tangible assets for which a certain period of time normally passes to make the asset ready for use is capitalized and amortized throughout the useful life of the class of assets to which it refers, while all other financial expenses are booked as profit and loss in the year in which they are incurred.

The costs of routine maintenance are fully recognized in the income statement while costs of an incremental nature are allocated to the assets to which they refer and are depreciated in proportion to their residual useful life. If leasehold improvements meet the capitalization requirements, they are classified under tangible assets and depreciated on the basis of the duration of the lease contract. In the presence of legal or implied obligations for the dismantling and removal of assets from sites, the carrying amount of the asset includes the estimated (discounted) costs to be incurred at the time of abandonment of the structures, recognized in counter-entry under a specific provision.
When tangible assets consist of several significant components with different useful lives, depreciation is calculated and carried out separately for each component. Costs relating to cyclical maintenance of ships are recorded as assets as separate component of the main asset in the year in which they are incurred and are included in the depreciation process, taking into account an appropriate useful life.
Land is not subject to depreciation, even if purchased in conjunction with a building.

Leasing

The Group has a number of rental, lease and operating lease agreements in place for the use of warehouses, offices, vehicles, containers, machinery and other minor assets owned by third parties. The contracts are typically entered into for from 3 to 20 or more years, but they may have an extension option. The contractual terms are individually negotiated and contain a broad array of different terms and conditions.
Starting from January 1, 2019, following the initial application of IFRS 16, the Group has recognized for all of those lease agreements, with the exception of short-term ones (i.e., lease agreements with a duration of 12 months or less which do not contain a purchase option) and those concerning low-value assets (i.e., with a unit value of lower than USD 5 thousand), a right of use at the start date of the lease, corresponding to the date on which the underlying asset is available for use. Lease payments relating to short-term and low-value contracts are recognized in the income statement as costs on a straight-line basis throughout the term of the lease.
Rights of use are valued at cost net of depreciation; the value assigned to the rights of use corresponds to the amount of the lease liabilities recognized, plus initial direct costs incurred, the lease payments settled at the contract start date or previously, recovery costs, net of any lease incentives received. Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the term of the lease, rights of use are depreciated on a straight-line basis throughout the term of the agreement. If the lease transfers ownership of the underlying asset to the Group, at the end of the lease term, it is expected that the purchase option will be exercised or, alternatively, the right of use will be amortized during the useful life of the underlying asset, determined on the same basis as that of the category of Property, plant and equipment to which it belongs. The value of the right of use is also reduced by any impairment losses and adjusted to reflect any changes deriving from subsequent measurements of the lease liability.
The financial liability for the lease is recognized at the date on which the agreement begins for a total value equal to the present value of the lease payments to be made over the term of the agreement, determined by using an appropriate interest rate (borrowing rate) based on the financial market conditions at the moment, the term of the lease, the currency and the company's standing.
The lease payments due included in the measurement of its liabilities include:

- fixed payments;
- variable payments which depend on an index or rate, measured initially using an index or a rate as at the start date;
- the amounts expected to be paid by way of guarantee over the residual value; and
- the exercise price of a purchase option, which the Group can reasonably expect to exercise, the payments due for leasing in an optional renewal period if the Group has the reasonable certainty that the renewal option will be exercised, and the penalty for early

termination of the lease, unless the Group is reasonably certain that the lease will not be terminated early.

After the start date, the amount of liabilities for lease agreements increases to reflect the interests accrued and decreases to reflect the payments made. Each lease payment is broken down between the repayment of the principal on the liability and the financial cost. The latter is recognized in the income statement throughout the term of the agreement to reflect a constant interest rate on the residual debt of the liability for each period. The rules laid out in IFRS 16 - Leases apply to sub-leases and lease agreement amendments.
Contracts are included in or excluded from the application of the standard on the basis of detailed analyses carried out at individual agreement level and in line with the rules set forth in the IFRSs. The term of the lease is calculated considering the non-cancellable period of the lease as well as the periods covered by the agreement extension option if it is reasonably certain that it will be exercised, or any period covered by an option for the termination of the lease agreement, if it is reasonably certain that it will not be exercised. The Group evaluates if it is reasonably certain that it will or will not exercise the extension or termination options taking into account all the relevant factors that generate an economic incentive with respect to such decisions. The initial valuation is reviewed if a significant event takes place or there is a change in characteristics influencing the valuation itself which are under the control of the Group.
The marginal interest rates defined by the Group are revised on a recurring basis and applied to all contracts with similar characteristics, which were considered as a single portfolio of contracts. The rates are determined to simulate a theoretical marginal interest rate consistent with the contracts being assessed. The most significant elements considered in adjusting the rate are the credit-risk spread of each country observable in the market and the different term of the lease agreements. Interest rates set forth within the lease agreements are rare. Incentives for leases received by no later than the date on which the agreement begins are allocated as a direct reduction from the value of the right of use. Lease incentives agreed upon during the term of the contract are considered amendments of the original agreement measured at the amendment date, with a resulting impact of an equal value on the value of the right of use as well as the lease liability.
In the statement of financial position, the Group shows the right of use that does not meet the definition of investment property under “Property, plant and equipment” and the lease liability under “Financial payables”, in the current and non-current liabilities sections depending on their maturity.

Impairment

At each reporting date, the Group reviews the book values of its intangible assets and property, plant and equipment to determine whether there is any indication of impairment. If they are found to be impaired, the asset’s recoverable value is estimated in order to determine the extent of the write-down. Should it be impossible to estimate the recoverable value of an individual asset, the Group estimates the recoverable value of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually or more frequently, whenever there is an indication that the asset may have been subject to impairment. The recoverable amount is the higher of the fair value net of selling expenses and the value in use. In calculating the value in use, estimated future cash flows are discounted to present value at a pre-tax rate that reflects current market valuations of the value of capital and the specific risks connected to the asset. If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be lower than the relative book value, it is reduced to the lower recoverable value. The impairment is recognized in the income statement. When it is no longer necessary to maintain an impairment, the carrying value of the asset (or cash-generating unit), with the exception of goodwill, is increased to the new value deriving from the estimate of its recoverable value, but not exceeding the net book value that the asset would have had if it had not been written down for impairment. The write-back is immediately recognized in the income statement.

The chapter on impairment testing details the procedure applied to validate the amounts of goodwill booked and the intangible and tangible assets held by the Group companies.

Equity investments accounted for with the equity method

These consist of shareholdings in associated companies measured at equity as reported in the chapter “Consolidation principles and area”.

Non-current financial assets

This item includes equity investments in associated companies not valued at equity and those in other companies, as described in the chapter “Consolidation principles and area”. The item also includes medium-term receivables, contributions to be received, security deposits and the like, all valued at nominal value that normally coincides with the realizable value. For more information on their posting and measurement, please refer to the information given in the paragraph below, entitled “(Non-current/current) financial assets”.

Inventories

Inventories of fruits and vegetables, raw and ancillary materials and consumables are valued at the lower of the purchase or manufacture cost, determined according to the FIFO configuration, and the realization value that can be seen on the market as at the reporting date. The cost includes accessory expenses net of commercial discounts and, for finished products or those in progress, the cost of manufacture; it includes raw materials, direct labor and other costs directly related to production, as well as the reversal of indirect production costs that can reasonably be traced to production in conditions of normal use of production capacity. The write-down value is eventually adjusted for a specific provision to account for write-downs for obsolescence and slow turnover that may affect packaging materials.

Biological assets

Biological Assets include fruit at its stage of maturity on the plant (in the Group's case, avocados) that is produced in Orsero's agricultural areas. IAS 41 is applied for biological assets, which provides that inventories of fruit on plants must be measured at fair value less estimated sales costs unless fair value can be determined reliably. IAS 41 assumes that fair value can be measured reliably for most biological assets; however, if a quoted price in an active market is not available at the time of initial recognition or alternative fair value measurements are judged unreliable, then the asset is measured at cost less accumulated depreciation and impairment.

(Non-current and current) financial assets

Financial assets must be recognized initially at the trading date, i.e. when the Group becomes party to the contractual clauses of the financial instrument, and must be classified on the basis of the business model of the Group that holds them and considering the cash flows of these assets. IFRS 9 envisages the following types of financial instruments, depending on measurement:

- financial assets measured at amortized cost;
- financial assets at fair value with changes recognized in the income statement;
- financial assets at fair value with changes recognized in the comprehensive income statement.

Initially, all financial assets are measured at fair value, increased, in the case of assets other than those at fair value with changes in the income statement, of ancillary charges. It should be noted that fair value means the value of the price of the instrument in an active market; in the absence of the latter, it is determined by using a valuation technique that establishes which price the transaction would have had at the valuation date in a free exchange based on normal commercial considerations. The Group determines the classification of its financial assets after initial recognition and, where appropriate and permitted, reviews said classification at the close of each financial year if the business model is changed. The recoverability of their value is verified according to the criteria set forth in IFRS 9 and described below. At the time of subscription, it is considered whether a contract contains implicit derivatives. Derivatives embedded in contracts where the primary element is a financial asset that falls under the field of application of IFRS 9 must never be segregated. Financial assets are derecognized when the contractual rights to their cash flows expire.

The financial assets measured at amortized cost are those assets held within the framework of a business model whose objective is to collect cash flows over time represented solely by payments of principal and the related accrued interest. The measurement of financial assets at amortized cost involves the application of the effective interest rate method net of any provision for impairment, taking into consideration foreseeable future losses. This calculation includes any discount or purchase premium and includes commissions that are an integral part of the effective interest rate and transaction costs. Therefore, interest is calculated in relation to the cash value over time and the credit risk associated to the instrument during that particular period of time. Receivables and other financial assets measured at amortized cost are shown on the balance sheet net of the related provision for doubtful debt. Interest income, exchange gains and losses and impairment losses are booked to the period income statement, as are any gains or losses from derecognition from the accounts.

Financial assets at fair value through other comprehensive income are those financial assets held as part of a business model whose objective is to collect cash flows over time from both principal and interest payments at the various maturities and from the sale of those assets.

These assets entail the recognition of changes in the instrument's fair value amongst other components of comprehensive income, in shareholders' equity. The cumulative amount of changes in fair value, allocated to the equity reserve that includes other components of comprehensive income, is reversed on the income statement when the instrument is derecognized.

The financial assets that are not measured at amortized cost and/or at fair value through other comprehensive income are measured at fair value through profit or loss. It should be noted that, at the moment of initial recognition, the entity can irrevocably designate the financial asset as measured at fair value booked to profit/loss for the year. All derivatives are included. Net profit and loss, including dividends or interest received, is noted in the period income statement.

It should be noted that equity instruments must always be measured at fair value, given that as they are not characterized by secure and constant cash flows, they are not compatible with the amortized cost method. The financial instrument which represents principal and which is held for strategic reasons and not for trading purposes is therefore measured at fair value, whose variations are booked to the statement of comprehensive income. The dividends relating to said instruments are booked to the income statement, while changes booked to the comprehensive income statement cannot be reclassified to the income statement.

Please note that financial assets and liabilities are offset and the amount deriving from the offsetting presented in the statement of financial position when, and only when, the Group currently has a legal right to offset said amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Trade, tax and other receivables

Trade, tax and other receivables are initially recognized at fair value, equating to the price of the relative transaction insofar as there is no significant loan component and thereafter according to the amortized cost method, net of impairment.

IFRS 9 defines a new impairment model for such assets, with the aim of providing information that is useful to readers of the financial statements in regard to the related expected losses. According to this model, the Group measures receivables adopting an expected loss approach in lieu of the IAS 39 framework, which is typically based on the measurement of the incurred losses observed. For trade receivables, the Group takes a Simplified approach to measurement, which does not

require the recording of periodic changes to the credit risk, as much as it does the booking of an expected credit loss calculated over the entire life of the receivable (known as the "Lifetime Expected Credit Loss"). More specifically, the policy adopted by the Group envisages the stratification of trade receivables into categories according to the number of days past due, defining the provision on the basis of past experience of losses on loans, rectified to take into account specific provisional factors referring to creditors and the economic environment. The credit risk must be revalued at the reporting date also for those financial assets whose cash flows have been renegotiated or modified. Trade receivables are fully provisioned if there is no reasonable expectation that they will be collected, or where commercial counterparties are inactive. The book value of the asset is reduced by the use of a provision for doubtful debt and the amount of the loss is recognized to the income statement.
At each reporting date, the Group must, therefore, recognize in the income statement as profit or loss due to impairment the accumulated changes in expected losses over the entire life of the receivable. This valuation must be made for trade receivables. The expected credit losses of the financial instrument must reflect a target or weighted amount, the time value of money and the reasonable and demonstrable information available.
When collection of the price is deferred beyond normal commercial terms applied to the customer, the credit is discounted at a suitable market rate. The item "Other receivables and other current assets" also includes accruals and deferrals relating to portions of costs and income spanning two or more years, the entity of which varies over time, in application of the accruals accounting approach.

Cash and cash equivalents

This item includes cash and amounts held in on-demand post office/bank current accounts (including fees payable and receivable accrued as at the reporting date) and entered at nominal value, which usually coincides with fair value.

Assets held for sale, disposal groups and discontinued operations

Non-current assets held for sale, disposal groups and discontinued operations whose carrying amount will be recovered principally through sale rather than continuous use are not amortized and are measured at the lower of their carrying amount and fair value less costs to sell; any difference that is revealed is allocated to profit and loss as impairment. Any gains or losses recognized as the result of measuring non-current assets (or disposal groups), classified as "held for sale" in accordance with IFRS 5, at fair value less costs to sell are classified under "Other operating revenues/costs" or "Other income/expenses from investments" depending on whether they are specific assets or equity investments.
A "disposal group" is a group of assets to be disposed of together as a group in a single transaction together with the liabilities directly associated with those assets that will be transferred in that transaction. Discontinued operations, on the other hand, consist of a significant portion of the Group, such as an important independent business division representing an activity or geographical area of activity, or a subsidiary bought exclusively for the purpose of reselling it.
The figures for non-current assets held for sale, disposal groups and discontinued operations are shown on two specific lines in the balance sheet: non-current assets held for sale and liabilities directly correlated with non-current assets held for sale.
The net economic results arising from discontinued operations, and only discontinued operations, pending the disposal process, any gains or losses on disposal and the corresponding comparative figures for the previous year or period are recognized in a specific line of the income statement: "Profit/loss from discontinued operations".

Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit and loss. A financial liability is classified at fair value through profit and loss when it is held for trading,

represents a derivative or is designated at such at the time it is first booked. Financial liabilities measured at fair value through profit or loss are measured at fair value with any changes, including interest expense, noted on the income statement. Other financial liabilities are measured thereafter at amortized cost, using the effective interest rate criterion. Interest expense and foreign exchange gains/(losses) are booked on the income statement, as are any gains or losses deriving from derecognition.
The Group proceeds to derecognize a financial liability when the obligation specified in the contract has been fulfilled or canceled.
Financial liabilities are entered under current and non-current financial payables, other non-current liabilities, trade payables, tax liabilities and other current liabilities. Current and non-current financial payables include bond payables, bank loans, current account overdrafts, liabilities due to other lenders (namely leasing, factoring and payables in accordance with IFRS 16), liabilities for hedging derivatives and the price balance on acquisitions.
Financial payables, apart from derivatives, are initially carried at cost, which is approximately the equivalent of fair value, net of costs incurred for the transaction. Thereafter, they are carried at amortized cost, booking in profit and loss any difference between the cost and value of repayment throughout the term of the loan, using the effective interest method. Loans are classified as current liabilities unless the Group has the unconditional right to defer the termination of this liability at least twelve months after the reference date. As regards leasing and liabilities in accordance with IFRS 16, reference is made, for measurement, to the paragraph entitled "Leasing" of these Notes, while for derivatives, please refer to the paragraph on "Derivative financial instruments and hedging".
As regards other non-current liabilities, trade payables, tax liabilities and other current liabilities, they are entered at nominal value, which is believed to represent their extinguishing value; please note that these items do not include a significant portion of financing.

Derivative financial instruments and hedging

Derivative financial instruments are initially recognized at fair value on the date on which they are stipulated. Thereafter, this fair value is periodically reviewed and any changes booked to the period statement of comprehensive income. They are recognized as assets when the fair value is positive and as a liability when it is negative. Embedded derivatives are separated out from the primary contract and booked separately when the primary contract is not a financial asset and when certain criteria are met. The Group carries out transactions with derivative instruments with a view to hedging the risk of fluctuations in the prices of commodities, interest rates and exchange rates. Derivatives are classified, consistently with IFRS 9, as hedging instruments when:

- the hedging relationship consists solely of admissible hedging instruments and admissible hedged elements;
- At the inception of the hedging relationship there is a designation and formal documentation of the hedging relationship, the Group's risk management objectives and the hedging strategy;
- the hedge ratio satisfies all the requirements of effectiveness (existence of an economic relationship between the hedged element and the hedging instrument, credit risk that does not dominate the value changes that result from that economic relationship, the hedging relationship is the same as that determined by the quantity of the hedged element that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge said quantity of hedged element).

When derivatives hedge the risk of fluctuation in the fair value of the underlying asset (fair value hedges), they are measured at fair value with the effects of the change in value of the instrument intended to offset the change, typically in the opposite direction, in the value of the hedged underlying asset, recognized in profit or loss. When derivatives hedge the risk of changes in the cash flows of the underlying asset (cash flow hedge), the effective portion of changes in the fair value of the derivatives is initially recognized in equity (accounted through "other comprehensive income") and subsequently recognized in the income statement, consistently with the economic effects of the hedged transaction.

Changes in the fair value of derivatives that do not meet the formal requirements to qualify as hedging for IAS/IFRS purposes are recognized in the income statement.

Treasury shares

Treasury shares are booked as a reduction of shareholders' equity. Their original cost and any economic effects from any subsequent sale are equally recorded as changes in equity.

Provisions

The Group recognizes provisions for current, legal or implicit obligations associated with past events (current and non-current) in the item provisions for risks and charges, provided that two precise conditions are met: (i) there is a high probability that, over time, the Group's resources will need to be used to meet such obligations and (ii) a reliable estimate can be made of the amount of the obligations in question. The allocations reflect the best possible estimate based on the information available. The provisions are then reviewed at each reference date and potentially adjusted to reflect the best current estimate; any changes in estimate are reflected in the income statement of the period in which the change occurred. When the financial effect of time is significant and the payment dates of the obligations can be estimated, the provision is discounted using a rate that reflects the current valuation of the cost of money in relation to time. The increase in the provision related to the time elapsed is recorded in the income statement under "Financial income and Financial expenses and exchange differences".
In the event of lawsuits, the amount of the provisions is determined according to the risk assessment, in order to determine the probability, timing and amounts concerned. When the liability relates to property, plant and equipment (such as the dismantling and reclamation of sites), the provision is recognized as a counter-entry to the asset to which it refers and recorded in the income statement through the depreciation process.
The Notes to the financial statements provide information on significant contingent liabilities represented by:

- possible (but unlikely) obligations arising from past events whose existence will only be confirmed if one or more future events occur that are not entirely under the control of the company;
- current obligations arising from past events whose amount cannot be estimated reliably or whose fulfillment may not be onerous.

Employee benefits

Short-term benefits
Short-term employee benefits are accounted for in the income statement during the period in which they are employed.

Post-employment benefits
Employees of Group companies are assigned benefits on termination or post-employment that can be defined contribution or defined benefit pension plans and other long-term benefits, according to the conditions applied locally in the countries in which the companies operate. The relative liability, net of any assets used for the plan, is determined on the basis of actuarial assumptions estimating the amount of future benefits that employees have accrued as at the reference date (the "projected unit credit" method). The liability is recognized on an accruals basis throughout the period for which the right is accrued and measured by an independent actuary for all Group companies.
The accounting of pension plans and other post-employment benefits depends on their nature.

Defined contribution plans are post-employment benefits on which basis the Group companies pay fixed contributions to a legally different entity on a mandatory, contractual or voluntary basis, without there being any legal or implicit obligation to make additional payments if the entity does not have sufficient assets to pay all pension benefits accrued in relation to the work carried out this year and previous years. The contributions to be paid are recorded on the income statement through accruals accounting and classified amongst payroll costs.
Defined benefit plans are post-employment benefit plans other than defined contribution plans. The obligation to finance provisions for defined benefit pension plans and the related annual cost noted on the income statement are determined on the basis of independent actuarial valuations using the projected unit credit method, according to one or more factors such as age, years of service and future remuneration envisaged. Actuarial gains and losses relative to defined benefits plans deriving from changes in the actuarial hypotheses and adjustments based on past experience, are noted immediately in the period in which they arise in the statement of comprehensive income and are never carried as profit and loss in subsequent periods. Recognized liabilities for post-employment benefits reflect the present value of liabilities for defined-benefit plans, adjusted to consider unrecognized actuarial gains, reduced by the fair value of plan assets, where such exist. Any net assets determined by applying this calculation are entered up to the amount of the actuarial losses and the cost relating to past performance, not recognized previously, as well as the current value of repayments available and the reductions of future contributions to the plan. Costs relating to defined benefits plans are classified under payroll and related costs apart from costs relating to the increase of the current value of the obligation deriving from the approach to the time when benefits classified amongst financial expense, fall due.
As regards the Italian companies, severance indemnity due to employees in accordance with Article 2120 of the Italian Civil Code, was considered up until December 31, 2006 a defined benefits plan. The regulation of this provision has been significantly altered by Italian Law no. 296 of December 27, 2006 ("2007 Financial Law") and subsequent Decrees and Regulations. More specifically, the new provisions have required, for companies with a workforce in excess of 50 employees as at the date on which the reform is introduced, to consider severance indemnity a defined benefits plan only for portions accrued as at January 1, 2007 (and not yet liquidated as at the reporting date); after that date, it is considered as equivalent to a defined contribution plans. Consequently, the portions of severance indemnity accrued after that date take on the nature of defined contribution plans, except, therefore, for actuarial estimating components used to determine the accrued cost. The portions of severance indemnity accrued as at December 31, 2006 remain valued as defined benefits plan, according to actuarial procedures, with the calculation, however, excluding the component relative to future salary increases.

Share-based payments

The 2020-2022 LTI Plan for directors and employees recognizes a monetary incentive related to the achievement of certain performance and shareholder value creation objectives, subject to the fulfillment of the access conditions ("Gate") and the continuation of employment with the Group. The Plan also provides for a portion of these incentives to be indexed to Parent Company share performance. Services rendered and liabilities assumed were measured at fair value in accordance with IFRS 2. This fair value is recognized in the income statement as a cost on the basis of the vesting period, with a counter-entry as a payable recognized in "Other current liabilities". Also see in the Directors' Report on Operations the section entitled "Top Management incentive remuneration".

Revenues and costs

Revenues are generated primarily by three "core" sectors such as the Distribution sector (activities dedicated to the distribution of fruit and vegetables), the Shipping sector (dedicated to maritime transport, primarily of bananas and pineapples), and the Holding & Services sector (provision of services in the customs area, the IT sector and holding coordination activities).

The Group recognizes revenues when (or gradually as) it fulfills the performance obligation by transferring the promised good or service to the customer. The asset is transferred when (or gradually as) the customer acquires control of it (capacity to decide the use of the asset and derive substantially all remaining benefits from it). At the same time, the Group is entitled to claim payment for the service rendered.
Transactions between goods and services of a similar nature and value, as they are not representative of sales transactions, do not determine the recognition of revenues and costs.
According to IFRS 15, the Group must recognize as revenue the price of the transaction assigned to the performance obligation, considering all the terms of the contract and its commercial procedures. The price of the transaction is the amount of the consideration to which the Group expects to be entitled in exchange for the transfer of promised goods and services to the customer, excluding the amounts collected on behalf of third parties. The consideration may include fixed or variable amounts or both.
Financial revenues are recognized on an accrual basis. Income and expenses are recorded in accordance with the accrual principle, with the appropriate recognition, where necessary, of the related accruals and deferrals.

Capital and operating contributions

Contributions are recognized when it is reasonably certain that they will be received and that all conditions for attaining them will be met. Contributions to "capital account" are recognized in the balance sheet as an adjustment to the recognition value of the asset to which they relate. Contributions in "operating account" are recognized as income and are distributed systematically in the various years as compensation of the related costs. In order to ensure a correct economic representation, contributions are recognized in the income statement gradually, in relation to the dynamics of amortization relating to the investments made, for which the contributions are received. For the fixed assets covered by the contribution, the correlation is respected each year between the cost represented by amortization and the portion of capital contribution recognized in the income statement in an amount equal to the amortization. The contributions obtained in respect
of investments made in capitalized fixed assets are entered as liabilities under "Other non-current liabilities" and "Other current liabilities".

Financial income, financial expense and exchange differences

Financial income includes interest on bank and postal deposits, exchange rate gains and differences and financial income deriving from the discounting of receivables related to sales deferred beyond the year. Interest income is recognized in the income statement at maturity, at the effective rate of return.
Financial expenses include interest expense on financial payables, calculated using the effective interest method, exchange rate losses and differences. They are also recognized in the income statement at maturity.

Dividends

Dividends received are recognized when, after the resolution of the Shareholders' Meeting is passed, the right to receive the payment is established, typically coinciding with the collection; those distributed by companies included in the scope of consolidation, subsidiaries as well as associated companies measured at equity, are reversed with counter-entry under "Profits/(Losses) carried forward".

Period income tax, deferred tax assets and liabilities

Current taxes are determined on the basis of the estimate of taxable income in accordance with the provisions in force, taking into account the applicable exemptions, tax receivables and the

effects of adherence to the "tax consolidation" by nearly all of the Italian companies of the Group. Income taxes are recognized in the income statement and in the statement of comprehensive income, except when they pertain to items directly charged from or credited to an equity reserve, the tax effect of which is recognized directly as equity.
The consolidated financial statements include the allocation of deferred assets and liabilities related to temporary differences connected to the adjustments made to the financial statements of consolidated companies for adjustment to the Group's homogeneous accounting standards and to the temporary differences between the statutory results and the related taxable income. In addition, they include deferred assets and liabilities, if any, arising from temporary deductible and taxable differences between the carrying amount of assets and liabilities and the resulting recognition for tax purposes, as well as consolidation adjustments. Deferred tax assets are recognized in the financial statements, calculated on the basis of the tax rates applicable in the period when the deferral is realized only if their future recovery is probable. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are offset when it is legally possible and when such deferred taxes are linked to taxes due to the same tax authority and the Parent Company is willing to settle current tax assets and liabilities on a net basis. All Italian subsidiaries, with the exception of the ship-owning company which has opted for the tonnage tax, adhere to the tax consolidation system established by Orsero pursuant to articles 117 et seq. of the Consolidated Income Tax Act, and a similar system has been activated in France for AZ France and its subsidiaries, Postifruit and Fruttica.

Conversion criteria for foreign currency items

Costs and revenues denominated in currencies other than the Euro, as well as investments in technical fixed assets and equity investments, are accounted for using the historical changes at the dates of the related transactions. Receivables and payables in foreign currency are initially recorded based on historical exchange rates of the related transactions, with the exchange rate differences realized at the time of collection or payment recorded in the income statement; receivables and payables in foreign currency outstanding at the end of the year are valued at December 31. Related exchange rate gains and losses are recognized in the income statement.

Earnings per share

Earnings/loss per share are calculated by dividing the profit/loss for the year attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the reference period, excluding treasury shares. To calculate diluted earnings/loss per share, the weighted average number of outstanding shares is adjusted by assuming the conversion of all potential shares having a dilutive effect.

Use of estimates, risks and uncertainties

The preparation of the consolidated financial statements and related Notes in accordance with IFRS requires management to make estimates and assumptions that have an impact on the value of revenues, costs of assets and liabilities of the financial statements and on the disclosure of contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on experience, other relevant factors and the information available. Therefore, the actual results achieved may differ from said estimates. The estimates and assumptions may vary from one year to the next and they are therefore reviewed periodically; the effects of any changes made to them are reflected in the income statement in the period in which the estimate is reviewed.
The main estimates for which the use of subjective valuations by the management is most required are typically used for:

- determination of provisions for bad debts and any other asset write-downs;
- calculation of the fair value of biological assets;

- acquisitions of companies and the relative determination of fair value for the identification of the value of goodwill, also on a provisional basis;
- definition of the useful life of non-current assets and related depreciation and amortization;
- allocations for provisions for environmental risks and for liabilities related to litigation of a legal and fiscal nature; in particular, the valuation processes relate both to determining the degree of probability of conditions that may entail a financial outlay and the quantification of the relevant amount;
- calculation of deferred tax assets, the recognition of which is supported by the Group's profitability prospects resulting from the expected profitability of the business plans and the forecast of composition of the "tax consolidation";
- verification of the value of intangible assets, tangible assets and equity investments based, with regard to the estimate of the value in use, on the use of financial plans drawn up based on a series of assumptions and hypotheses regarding future events that will not necessarily occur. Similar estimating processes are required when reference is made to the presumable realizable value due to the uncertainty inherent in each trade.

Impairment test

IAS 36 specifies that at the end of each reporting period an entity shall assess whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. In assessing whether the aforesaid indication exists, the Group shall consider the presence of any "impairment indicators", as required by paragraph 12 of IAS 36. An impairment loss shall be recognized in the income statement when the book value of an asset or cash-generating unit exceeds its recoverable amount. The book values of the Company's assets are in any case measured at the reference date of the annual financial statements. Intangible assets with an indefinite useful life are tested at least annually and every time there is an indication of a possible impairment to determine whether impairment exists.

The Group tested the book value of net invested capital at December 31, 2021, identifying the following as cash-generating units:

- the various countries in which the Group operates (Italy, France, Spain, Portugal and Greece), considering the close ties between the resident distributors;
- the company Cosiarma, to verify the value retention of naval assets.

The solidity of the values of said CGUs is verified by comparing the book values with the values in use, equal to the sum of discounted cash flows for the three-year period 2022-24 and the terminal value that the management estimates the individual CGUs will be able to generate. For Cosiarma, whose specific characteristics mean that it is inappropriate to calculate a terminal value, cash flow is related to the residual useful life of the ships, presently set as December 31, 2024.
The cash flows were estimated using data from the 2022 Budget on the basis of which the data for the years 2023 and 2024 were determined, as well as the Terminal Value data. For Cosiarma alone, on the other hand, differentiated Adjusted EBITDA values were used, equal to the budget figure for 2022, the average Adjusted EBITDA for the years 2020-2021 for 2024 and an average value between the two for the year 2023, the year in which the positive performance of the Shipping sector is expected to continue as outlined in the 2022 Budget. On the other hand, the value of amortization and depreciation for the three-year period has been calculated in such a way so that the value of the vessels at the end of 2024 is equal to their scrap value.
In the preparation of the impairment test, 2022 Budget data aligned to the year 2021 were used under the assumption of data validity for the Group's business which, as it is part of the food sector, was not significantly impacted by the COVID-19 epidemic.
For discounting, the post-tax WACC is used as the discount rate, which takes into account the specific risks of the asset and reflects current market valuations of the cost of money. It is based on weighting the cost of debt and the cost of equity, calculated based on the values of companies comparable to those belonging to the Group and subject to impairment. For the 2021 impairment

test, as in the previous year, an independent professional was appointed, a university professor, to determine the parameters applied in the test as indicated below:

	WACC	"g" rate
Italy CGU	7.21%	0.50%
France CGU	6.13%	1.00%
Spain CGU	6.84%	1.00%
Portugal CGU	7.02%	1.00%
Greece CGU	8.26%	0.50%
Cosiarma CGU	9.96%	n.a.

The results of the calculations showed the extensive head-room between the book value of the CGUs, consisting of their respective Net Invested Capital ("NIC") and the values in use, represented by the Enterprise Values:

Thousands of euro	WACC	"g" rate	Enterprise Value	NIC Conso	Head-room
- Italy	7.21%	0.50%	121,502	83,900	37,602
- France	6.13%	1.00%	63,465	25,180	38,285
- Spain	6.84%	1.00%	70,041	56,782	13,259
- Portugal	7.02%	1.00%	5,144	1,576	3,568
- Greece	8.26%	0.50%	6,918	3,349	3,569
- Cosiarma	9.96%	-	80,534	54,393	26,141

please note that the "Cons. NIC" values are the sums of the NIC of the various companies belonging to the CGUs, less the costs of the investments held in companies belonging to the same CGU and increased by goodwill and/or other adjustments made at the time of acquisition, as calculated in the consolidated financial statements.
The sensitivity analysis was carried out highlighting, on the basis of impairment testing data, how much adjusted EBITDA should reduce, remaining unchanged the parameters of WACC and "g" rate to zero the head-room of the various CGUs, just like the WACC should come in at that value, unchanged the values of adjusted EBITDA and "g" rate, to zero the head-room and the same for the "g" rate, unchanged the adjusted EBITDA and WACC values. The table below summarizes the results of this test.

CGU	Adjusted Ebitda	WACC	"g" rate
- Italy	-21.10%	10.24%	-3.21%
- France	-41.20%	12.69%	-7.22%
- Spain	-11.44%	8.16%	-0.53%
- Portugal	-20.30%	9.87%	-1.95%
- Greece	-37.00%	15.34%	-8.90%
- Cosiarma	-32.87%	35.44%	-

Similar testing was performed for the separate financial statements of Orsero S.p.A., in which case the values compared are those of the Equity Value as compared with the respective carrying values of the equity investments:

Thousands of euro	WACC	"g" rate	Equity Value	Book Value financial investments	Head-room
- Italy	7.21%	0.50%	92,179	55,730	36,449
- France	6.13%	1.00%	68,463	21,466	46,997
- Spain	6.84%	1.00%	57,609	41,233	16,376
- Portugal	7.02%	1.00%	6,356	3,174	3,182
- Greece	8.26%	0.50%	7,253	2,505	4,748
- Cosiarma	9.96%	-	74,342	31,849	42,493

The related sensitivity follows:

CGU	Adjusted Ebitda	WACC	"g" rate
- Italy	-20.47%	10.11%	-3.03%
- France	-44.80%	17.60%	-14.90%
- Spain	-14.10%	8.57%	-1.01%
- Portugal	-18.10%	9.43%	-1.50%
- Greece	-49.00%	21.80%	-20.30%
- Cosiarma	-53.45%	66.23%	-

Other information

Segment reporting

Within the Group, several segments can be identified differently, which provide a homogeneous group of products and services (business segment) or which supply products and services within a given geographic area (geographic segment).
More specifically, in the Orsero Group, three areas of business have been identified:

- Distribution Sector: this sector is a group of companies engaged in the import and distribution of fruit and vegetables in the territories for which they are responsible. The Group's distribution companies are based and operate mainly in the Italian, French, Spanish, Portuguese and Greek markets, in addition to the business basically focusing on exports of the Mexican companies.
- Shipping Sector: this sector is a group of companies mainly engaged in the maritime transport of bananas and pineapples;
- Holding & Services Sector: this sector represents a residual sector that includes companies engaged in the provision of services related to customs, information technology, and holding coordination activities.

In compliance with the provisions of IFRS 8, segment information is given in the dedicated paragraph under "Segment reporting" (Note 22).

Management of financial risk

IFRS 7 requires additional information to evaluate the significance of financial instruments in relation to the Group's economic performance and financial position. This accounting standard requires a description of the objectives, policies and procedures implemented by the Management for the different types of financial risk (liquidity, market and credit), to which the Group is exposed (foreign exchange, interest rate, bunker).
The Group operates in the trade of commodities that is impacted by various elements that can, in turn, affect the Group's economic, equity and financial performance. These factors are managed through hedges or corporate policies aimed at mitigating any impacts of such elements on corporate results. The Group is exposed to the following financial risks in going about its business:

- liquidity risk, with reference to the availability of financial resources and access to the credit market;
- market risk, including the foreign exchange risk, interest rate risk and price risk;
- credit risk, relating to above all commercial relations with customers.

The company's main financial instruments include current accounts and short-term deposits, as well as financial liabilities to banks in the short and long term, bond payables, liabilities due to other lenders and derivatives. The purpose is to finance the Group's operating activities. Additionally, the company has trade receivables and payables from its business activities. Management of the cash

needs and related risks (mainly interest rate risk and foreign exchange risk) is carried out by the centralized treasury on the basis of the guidelines defined by the Treasury Manager with the Corporate Accounting Reporting Officer and approved by the Co-CEOs.
Please note that the risks mentioned above are constantly monitored, taking action with a view to dealing with and limiting the potential negative effects through the use of appropriate policies and, in general, where deemed necessary, also through specific hedges. This section provides reference qualitative and quantitative information on the incidence of such risks on the Group, in addition to the information provided in the relevant section of the Report on Operations. The quantitative data presented below are not predictions and cannot reflect the complexity and the related reactions of markets that could derive from each hypothetical change.

Liquidity risk

The Group manages liquidity risk with a view to ensuring the presence, on a consolidated level, of a liability structure that matches the composition of financial statement assets, in order to maintain a solid level of capital. Credit facilities, even if negotiated on a Group level, are granted for individual companies. The Group has also financed its investments with medium/long-term credit facilities that guarantee a liquidity position that is adequate for its core business. There is plenty of opportunity to use short-term trade credit facilities if trade working capital is needed in connection with organic growth and development.
Please also note that the Group operates in a sector that is relatively protected in terms of liquidity, insofar as there is a specific European regulation (Art. 62 of Decree Law 1/2012), which requires payments of perishable assets to be made within 30 days of the end of the month in which said assets are invoiced. This means that collection and payment terms are relatively short, precisely due to the type of assets marketed. If we then also add the fact that inventories have very rapid stock rotation times and, in any case, an average of 1 or 2 weeks, we can see that the working capital cycle is virtuous and does not entail any liquidity risk in normal market operations.

The table below offers an analysis of deadlines, based on contractual obligations for reimbursement, relative to financial, trade, tax and other payables in place as at December 31, 2021.

Thousands of euro	Balance at December 31, 2021	Within 1 year	1-5 years	Over 5 years
Bond payables	**30,000**	-	20,000	10,000
Medium- to long- term bank loans (Non - current/Current)	**53,058**	15,329	32,420	5,308
Other lenders (Non - current/Current)	**2,908**	1,020	1,888	-
Other lenders (Non - current/Current) ex IFRS 16	**39,061**	10,669	18,130	10,261
Non current liabilities for derivative (Non-current/Current)	**240**	-	240	-
Bank overdrafts	**13,844**	13,844	-	-
Other current lenders short term	**1,455**	1,455	-	-
Payables for price balance on acquisitions (Non-current/Current)	**200**	200	-	-
Other non current liabilities	**1,057**	-	1,057	-
Trade payables	**126,854**	126,854	-	-
Current tax liabilities	**4,142**	4,142	-	-
Other current liabilities	**20,811**	20,811	-	-
Non-current/current liabilities at 31.12.2021	**293,630**	**194,324**	**73,736**	**25,569**

It is reported that all amounts indicated in the table above represent values determined with reference to the residual contract end dates. The Group expects to cope with these commitments using cash flow from operations.

Foreign exchange risk

The Group is exposed to the risk of changes in foreign exchange rates (in particular US dollars), for currencies that differ from that used to express commercial and financial transactions. In particular, in the Distribution sector it purchases part of its goods (fruit) in US dollars to then import them and sell them in euros in Southern European markets. On the other hand, in the Shipping Sector, revenues in US dollars are higher than costs incurred in euros, thus limiting in part the Group's currency balance, which is in any event naturally exposed to the US dollar. Over the last two years a growing number of European large retail chains have begun to request fixed annual prices in auctions for bananas, one of the main products marketed by the Group and one of the few that are purchased at a fixed price in USD. Therefore, in the presence of fixed sale prices in euros, and therefore exchange rate risk, the Group has implemented a hedging strategy with forward purchases, while for the remainder of sales not subject to pre-established sale prices, it has chosen not to adopt any hedges insofar as the prices of sales in euros are defined every day or every week with customers, and this significantly dilutes any effects deriving from the fluctuation of exchange rates and helps to maintain flexibility, a fundamental element in the fruit and vegetable marketing sector. The Group, for sales whose price has not been defined, believes that this operating procedure is consistent with the commercial dynamics of the sector and the most appropriate to minimize the impact of fluctuations in the EUR/USD exchange rate.

Interest rate risk

The Group helps finance its medium/long-term investments and working capital through use of credit instruments. The Group mainly uses medium-term credit facilities in euros, part of which at fixed rate and part at variable rate; a suitable partial IRS plain vanilla hedge has been activated on the main ones (2018-2024 pool loan for an original figure of Euro 60 million and 2020-2029 pool loan originally for Euro 15 million, in addition to the 2021-2027 Credit-Agricole loan for Euro 5.5 million), with a view to mitigating the risk of fluctuation of the reference rates (Euribor) over time; instead, in the case of the only debenture loan issued, the option was chosen for an entirely fixed rate structure. As at December 31, 2021, the interest rate hedges hedge approximately 78% of medium and long-term variable rate bank loans, thereby meaning that approximately 82% of the Group's entire medium/long-term bond and bank debt is at fixed rate. It is stressed that, in the Group's opinion, such choices are today very prudent, also in view of the expected medium-term evolution of reference rates in Europe.
Please note that at December 31, 2021, two hedging contracts are in place, stipulated by the Parent Company with two banks in accordance with the Pool Loan Agreement, which contain a cross default clause that entitles the related bank to terminate and/or withdraw from (as applicable) the related hedging contract, in the event of significant default by subsidiaries, parents and/or joint ventures, with the concept of control regulated by the possession of the majority of votes.

Sensitivity analysis on interest rates

In 2021, the Group's net financial position decreased from Euro 103,311 to Euro 84,346 thousand, of which the component recognized according to IFRS 16 is Euro 39,061 thousand. Below is the ratio of debt to equity as at December 31, 2021 and December 31, 2020. Please note that the financial covenants existing on the bond and pool loans must be counted, as envisaged by the related contracts, on a net financial position that excludes the application of the new standard IFRS 16 for the entire term of said loans.

Thousands of euro	**31.12.2021**	**31.12.2020**
Net financial debt	84,346	103,311
Total shareholders'equity	175,854	160,111
Ratio	**0.48**	**0.65**
Main indicators without IFRS 16 effect		
Net financial debt	45,285	74,437
Total shareholders'equity	176,596	160,669
Ratio	**0.26**	**0.46**

The table below shows the increased period incidence of fixed-rate debt or variable-rate debt hedged by IRSs. The incidence of said debt on total "onerous" debt is also indicated, thereby meaning not only bank debt and the debenture loan but also: (i) short-term bank debt; (ii) finance lease payables; and (iii) factoring, all essentially variable rate. As compared with gross financial debt, as shown in the financial statements, "non-interest-bearing" payables are excluded, like the mark-to-market positions on derivatives, the residual price to be paid on acquisitions and payables linked to the application of IFRS 16.

Thousands of euro	31.12.2021	31.12.2020
Total medium- to long- term bank loans (A)	**83,058**	**93,448**
of which fixed rate	67,964	73,092
Percentage - fixed rate	81.8%	78.2%
of which floating rate	15,094	20,356
Percentage - floating rate	18.2%	21.8%
Total other onerous debt (B)	**18,207**	**17,776**
Total onerous debt (A+B)	**101,265**	**111,224**
Percentage - fixed rate	67.1%	65.7%
Percentage - floating rate	32.9%	34.3%

As of December 31, 2021, total interest-bearing debt fell by approximately Euro 10 million compared to the previous year, essentially due to repayments of medium/long-term loans that were higher than the new loans taken out. Within the medium/long-term bank debt, the portion of Euro 32.6 million is represented by variable rate loans hedged by means of derivatives, amounting to 78% of the nominal debt: please note that this hedging is effective against interest rate rises but clearly does not cancel out the effect of any spreads, envisaged contractually if the ratio between Net Financial Position and Adjusted EBITDA should take a turn for the worse.
The percentage of variable rate debt as a percentage of total interest-bearing debt has improved with respect to the previous year, placing the Group on a sound footing with respect to the risk of an increase in reference rates, which the Group believes should not have a particularly serious impact compared with the current situation.
The table below shows the breakdown of financial expense for the two-year period according to nature, whilst below that the table relating to the sensitivity analysis illustrates what the effect would have been, in relation to interest linked to medium/long-term bank loans, of the higher expenses that would have arisen in 2021 in the event of a higher level of interest rates by between 25 and 100 basis points:

Thousands of euro	31.12.2021	31.12.2020
Evolution of financial charges		
- on fixed rate bank loans	(1,179)	(1,165)
- on fixed rate bank loans related to liabilities for derivative	(645)	(839)
- on floating rate bank loans	(235)	(317)
- on bank overdrafts and other financial liabilities	(547)	(508)
- amortizing interests	(184)	(206)
Total	**(2,789)**	**(3,035)**

Thousands of euro	31.12.2021	31.12.2020
In the balance sheet	(235)	(317)
+ 25 bp	(43)	(58)
+ 50 bp	(86)	(115)
+ 75 bp	(130)	(173)
+ 100 bp	(173)	(231)

Price volatility risk of fruit and vegetable commodities

Operating in a sector of agricultural commodities, which by nature are exposed to the variability of the quantities produced as a result of exogenous factors such as, for example, weather and environmental events beyond the control of the industry operators, the Group manages two situations connected with agricultural commodities: procurement and purchase price of raw materials. The first element is the most sensitive and, therefore, the Group diversifies its product portfolio as much as possible, through the number of items marketed, the supplier base and the country of origin. In thus doing, the concentration of the risk of product shortages for individual items and supplies is mitigated and the product portfolio is balanced with respect to any production shortages of specific items and/or origins. The second situation regards the variation of prices of commodities purchased, which is handled through the pricing policy of products on sale. The two dimensions are, in fact, closely linked insofar as the daily or weekly definition of prices of sale allows for the adjustment of any price changes during procurement, up or down. Volatility is also handled by the Group using the methods whereby relations are regulated with suppliers, in whose regard operations very often take place with commission account or sales account schemes. In short, the price paid to the supplier for the products purchased is defined according to the sale price of the product; this situation effectively allow to considerably dilute the price volatility risk on commodities.

Price volatility risk of fuels for ships

The bunker (fuel) used for the owned ships is the main commodity subject to pricing volatility, to which the Group - and more specifically the Shipping Sector - is exposed, with consequent potential fallout (negative or positive) on the Group's economic results. Considering the high degree of volatility of the oil and derivatives (including those used as fuel for the owned ships), the Group employs two forms of hedging: financial, forward purchasing the bunker over a six-monthly or annual item frame for a percentage that varies between 20% and 30% of the estimated consumption (corresponding in essence to the transport service provided to Group companies. Indeed, it should be recalled that ships are used approximately 50% for imports of volumes of bananas and pineapples marketed directly by the Group, referred to as "captive use"). The remainder is managed through the definition of commercial contracts with third party customers, which include a "BAF" ("Bunker Adjustment Factor") clause aimed at restoring balance to fluctuations in fuel prices, by adding or taking away from the tariff agreed annually with the customers of the shipping service, an economic value that neutralizes or in any case mitigates fuel price fluctuations. In thus doing, the fuel price evolution has a less significant impact on the Group's results and such as to be able to be kept under control. The market context has historically seen the application of BAF clauses in refrigerated shipping and there are no suggestions that the possibility of stipulating such contracts with third party customers should cease to apply nor that it may become difficult to find suitable financial hedges on the oil market. Below is an analysis that shows how the ship fuel price impacts the results of the Shipping Sector in the reference period.

Thousands of euro	31.12.2021	%	31.12.2020	%
Total bunker's cost	26,026	25.07%	22,107	23.20%
Net sales Shipping sector	**103,825**		**95,296**	

Credit risk

The Group is exposed to credit risk, mainly deriving from commercial relations with its customers and, in particular, any delays or non-payments by such, which, should such occur, may have negative effects on the Group's economic, equity and financial position. The Group operates with a very extensive customer base comprising the large retail channel and wholesaler and retailer customers. In consideration of the heterogeneous nature of the customer base, particularly on a European level, the Group adopts risk hedging policies through credit insurance policies with leading international companies. The Group also adopts risk management policies aimed at interrupting supplies if past-due credit thresholds should be reached, connected with aging and/or amount. Such actions allow the Group to record a very negligible loss on loans in respect to total turnover and one that remains basically constant over time. Additionally, in consideration of the type of assets in which the Group is involved (primary and basic consumer goods for the western diet) and the stability of the sales channels, no changes are expected in the customer base such as to impact the current dimension of credit risk.

The table below provides a breakdown of trade receivables as at December 31, 2021, grouped by past-due, net of the provision for bad debts:

Thousands of euro	At December 31, 2021	To expire	Overdue within 30 days	Overdue between 31 and 90 days	Overdue between 91 and 120 days	Overdue over 120 days
Gross Trade receivables	125,480	81,025	21,709	8,561	1,230	12,954
Provision for bad debts	(11,803)	(50)	-	(2)	(28)	(11,723)
Trade receivables	113,677	80,975	21,709	8,559	1,203	1,231

The high amount of the provisions for bad debts stems from the specific tax need not to derecognize receivables that are now "lost" and written-off entirely until completion of the related bankruptcy proceedings (insolvency, arrangements with creditors), as otherwise the tax deductibility of the losses ceases.

Transactions deriving from non-recurring transactions

In accordance with the Consob Communication of July 28, 2006, it is specified that in 2021, the Group incurred costs and income relating to non-recurring transactions.
In accordance with Consob Communication 15519 of February 28, 2005, please note that the item "Other operating revenues/costs" includes Euro 1,909 thousand and Euro 4,310 thousand respectively of non-recurring revenues and costs; for details, please refer to Note 26 "Other operating revenues/costs" and Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

Transactions deriving from atypical and/or unusual transactions

In compliance with the provisions of the Consob Communication of July 28, 2006, in 2021, the Group did not implement any atypical and/or unusual transactions.

Accounting standards, amendments and IFRS interpretations applied from January 1, 2021

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group starting from January 1, 2021:

On August 27, 2020, the IASB published several amendments "Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16, and IAS 39, IAS 37 Interest Rate Benchmark Reform - Phase 2" regarding the following accounting standards: IFRS 4 Insurance Contracts, IFRS 7 Financial Instruments Disclosures, IFRS 9 Financial Instruments, IFRS 16 Leases, IAS 39 Financial Instruments: Recognition and Measurement. The amendments are applicable to financial statements relating to years starting on January 1, 2021. At present, there is no impact on the Group's financial statements deriving from these changes.

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 expedient was available for rent reductions that affected only payments originally due by June 30, 2021. On March 31, 2021, the IASB issued the amendment "COVID 19- Related Rent Concessions beyond June 30, 2021," which extended the period for applying the practical expedient from June 30, 2021 to June 30, 2022. This amendment is effective for fiscal years beginning on or after April 1, 2021. Early application is permitted, including for financial statements for which publication has not yet been authorized as of March 31, 2021.

Accounting standards, IFRS and IFRIC amendments and interpretations published, but not yet adopted by the European Union at December 31, 2021

In May 2020, the IASB issued several amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases. This standard will enter into effect on January 1, 2022.

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. The amendments are effective for financial years beginning on or after January 1, 2022. Early application is permitted.

In May 2020, the IASB issued amendments to IAS 37, which specify the costs that a company must include when assessing whether a contract will be loss-making and is therefore recognized as an onerous contract. These amendments should result in more contracts being accounted for as onerous contracts because they increase the costs that are included in the onerous contract assessment. This standard will enter into effect on January 1, 2022.

In May 2020, the IASB issued amendments to IAS 16 that prohibit a company from deducting from the cost of property, plant and equipment amounts received from the sale of items produced while the company is preparing the asset for its intended use. To the contrary, a company will recognize such sales proceeds and any related cost in the income statement. This standard will enter into effect on January 1, 2022.

In January 2020, the IASB issued amendments to IAS 1 that clarify how an entity should classify liabilities as current or non-current. The amendments initially had an effective date of January 1, 2022, however in July 2020 it was deferred until January 1, 2023 due to the COVID-19 pandemic. These amendments are expected to have a significant impact on many entities, with more liabilities classified as current, particularly those with loan-related covenants. In response to stakeholder feedback and requests, in December 2020 the IFRS Interpretations Committee (IFRIC) issued a tentative agenda decision, which analyzed the applicability of the amendments to three scenarios. However, due to the feedback received and the various concerns raised about the outcome of the application of the amendment, the Committee did not finalize the tentative agenda decision and referred the issue back to the IASB. At its June 2021 meeting, the IASB provisionally decided to amend the requirements of IAS 1 with respect to the classification of liabilities subject to conditions and the disclosure of such conditions and to defer the effective date of the 2020 amendment by at least one year to annual periods beginning on or after January 1, 2024.

In February 2021, the IASB issued amendments to IAS 1 that change the disclosure requirements on accounting standards from "significant accounting policies" to "significant accounting policy disclosures." The amendments provide guidance on when accounting policy disclosures are likely to be considered material. The amendments to IAS 1 are effective for fiscal years beginning on or after January 1, 2023, and early application is permitted. Since IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.

In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or a valuation technique are changes in accounting estimates, unless they result from the correction of prior period errors.

In May 2021, the IASB issued amendments to IAS 12 that clarify whether the exemption for initial recognition applies to certain transactions that result in the simultaneous recognition of both an asset and a liability (e.g., a lease within the scope of IFRS 16). The amendments introduce an additional criterion for exemption from initial recognition provided by IAS 12.15, according to which the exemption does not apply to the initial recognition of an asset or liability that, at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

Any impacts that the accounting standards, amendments and interpretations that will soon be applied may have on the Group's financial reporting are currently being analyzed and assessed.

Notes - disclosures on the statement of financial position and the income statement

This chapter provides useful information to explain the most significant changes compared to the previous year in the items of the financial statements, indicating, where appropriate, any possible effects of changes in the scope of consolidation.

NOTE 1. Goodwill

Goodwill was recorded for Euro 48,245 thousand (Euro 48,426 thousand at December 31, 2020).

Thousands of euro	Goodwill
Carrying amount at December 31, 2019	**46,828**
Change of year:	
Investments	1,598
Disposal	-
Reclassification and impairment losses	-
Change of consolidation scope	-
Translation differences	-
Carrying amount at December 31, 2020	**48,426**
Change of year:	
Investments	-
Disposal	(181)
Reclassification and impairment losses	-
Change of consolidation scope	-
Translation differences	-
Carrying amount at December 31, 2021	**48,245**

The item shows the amount paid by the Group over the book value of the company's business units and/or equity of the companies acquired and subsequently incorporated. The residual value of the item in question is verified at least annually or if specific events or circumstances occur that may indicate an impairment, by analyzing the profitability of the acquired business units using impairment tests.
Goodwill at December 31, 2021 refers:

- Euro 720 thousand for Nuova Banfrutta S.r.l. (company incorporated into Fruttital S.r.l., in 2017): specifically, this value derives mainly from the acquisition of Ferfrutta S.r.l.;
- for Euro 171 thousand to Az France S.A.S.;
- to differences in consolidation for the acquisitions of Eurofrutas S.A. and Nuova Banfrutta S.r.l. (company merged by incorporation into Fruttital S.r.l. in 2017). The acquisition of the

former refers to the 50% recorded in 2013 and with residual value at December 31, 2014 equal to Euro 1,440 thousand, while the latter was acquired in 2010 and has a residual value of Euro 1,375 thousand.

- for Euro 9,978 thousand to Hermanos Fernández López S.A.: this value derives from the acquisition of the residual 50% which took place in 2017, also including the amount recorded pursuant to IFRS 3 for the 50% stake acquired previously;
- for Euro 1,992 thousand to Galandi S.p.A.: this value derives from the acquisition of the residual 50% which took place in 2017, also including the amount recorded pursuant to IFRS 3 for the 50% stake acquired previously;
- for Euro 17,300 thousand to Fruttital Firenze S.p.A.: this value derives from the acquisition of the residual 50% which took place in 2017, also including the amount recorded pursuant to IFRS 3 for the 50% stake acquired previously;
- for Euro 1,250 thousand relating to the 2019 acquisition of Sevimpor S.L.;
- for Euro 9,294 thousand relating to the 2019 acquisition of the Fruttica Group;
- for Euro 3,309 thousand to the 2019 acquisition of Fruttital Cagliari S.r.l.: this value derives from the acquisition of the residual 75%, also including the amount recorded pursuant to IFRS 3 for the 25% stake acquired previously;
- for Euro 1,417 thousand to the acquisition in 2020 of 50% of Moncada Frutta S.r.l., also including the amount recorded in accordance with IFRS 3 for the 50% previously acquired, net of the reduction of Euro 181 thousand applied after the final calculations were made with the selling party in the first half of 2021.

Pursuant to IAS 36, the result of the impairment testing, conducted using the information available to date and reasonable estimates of the evolution of the invested capital, demonstrated that the values of the main companies mentioned above were consistent with the respective book values, and consequently, with the accounting value of equity used in the consolidation, thus no write-downs in the consolidated financial statements were required.
For impairment testing, goodwill has been allocated to various countries (Italy CGU, France CGU, Portugal CGU, Spain CGU) and within these in relation to that calculated during the acquisition of the various companies.

Thousands of euro	**31.12.2021**	**31.12.2020**
Italy	26,113	26,294
France	9,465	9,465
Spain	11,228	11,228
Portugal	1,440	1,440
Goodwill	**48,245**	**48,426**

As regards the solidity of values, see the comment on impairment testing given under the relevant paragraph in the section on measurement criteria.

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NOTE 2. Intangible assets other than goodwill

Valori in migliaia €	Intellectual property rights	Concessions, licenses and trademarks	Assets in progress and advances	Other intangible assets	Total
Carrying amount	**5,561**	**8,544**	**1,354**	**879**	**16,337**
Accumulated amortization	**(3,720)**	**(6,640)**	-	**(832)**	**(11,192)**
Carrying amount at December 31, 2019	**1,841**	**1,904**	**1,354**	**47**	**5,145**
Change of year:					
Investments	30	683	2,001	22	2,736
Disposal - Carrying amount	(84)	-	-	(19)	(102)
Disposal - accumulated amortization	84	-	-	19	102
Reclassification - carrying amount	(1,665)	2,029	(20)	-	345
Reclassification - accumulated amortization	1,501	(1,376)	-	-	126
Changes of consolidated companies - Carrying amount	-	(110)	-	-	(110)
Changes of consolidated companies - accumulated amortization	-	87	-	-	87
Amortization	(610)	(431)	-	(24)	(1,065)
Carrying amount	**3,843**	**11,145**	**3,335**	**882**	**19,206**
Accumulated amortization	**(2,745)**	**(8,360)**	-	**(838)**	**(11,943)**
Carrying amount at December 31, 2020	**1,098**	**2,785**	**3,335**	**45**	**7,263**
Change of year:					
Investments	73	309	2,280	16	2,678
Disposal - Carrying amount	-	-	-	-	-
Disposal - accumulated amortization	-	-	-	-	-
Reclassification - carrying amount	(1)	76	-	(1)	75
Reclassification - accumulated amortization	-	(4)	-	1	(3)
Changes of consolidated companies - Carrying amount	-	-	-	-	-
Changes of consolidated companies - accumulated amortization	-	-	-	-	-
Amortization	(544)	(427)	-	(19)	(990)
Carrying amount	**3,914**	**11,530**	**5,615**	**898**	**21,958**
Accumulated amortization	**(3,288)**	**(8,792)**	-	**(856)**	**(12,936)**
Carrying amount at December 31, 2021	**626**	**2,739**	**5,615**	**42**	**9,022**

In 2021, intangible assets other than goodwill rose by Euro 1,759 thousand primarily as a result of investments of Euro 2,678 thousand and reclassifications for Euro 71 thousand, partially offset by amortization of Euro 990 thousand. It should be noted that in the period in question, no changes in estimates were made in assessing the useful life of intangible assets other than goodwill or in the choice of the amortization method and no internal or external indicators of impairment of intangible assets were identified. No intangible assets other than goodwill were reclassified as "Assets held for sale".

Industrial patent rights and use of intellectual property

The item shows costs incurred in connection with the software programs and licenses the Group has obtained; the change of Euro 472 thousand refers primarily to the effect of amortization of Euro 544 thousand and reclassifications of Euro 1 thousand.

Concessions, licenses and trademarks

This line item essentially reflects the amount paid as concession for the exercise of commercial activities (warehouses and points of sale) located within general markets, amortized based on the duration of the concession, as well as the costs of using licensed software programs, amortized on average over a three-year period, and commercial trademarks, amortized over 10 years. The decrease of Euro 47 thousand primarily reflects amortization of Euro 427 thousand, partially offset by investments of Euro 309 thousand, related for the most part to Spanish concessions, and net reclassifications of Euro 72 thousand.

Assets in progress and advances

The item reflects the investments made during the year and not yet operational at the reporting date, essentially referring to the implementation and engineering of the new integrated ERP system that will fully replace the current system and designed to meet the Group's ever-growing needs.

Other intangible assets

This is a residual category that includes expenses incurred for the development of internal programs, amortized according to the respective periods of use.

NOTE 3. Property, plant and equipment

Thousands of euro	Lands and buildings	Plantations	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets in progress and advances	Total
Carrying amount	**128,902**	**2,250**	**268,543**	**13,397**	**22,697**	**6,127**	**441,916**
Accumulated depreciation	**(38,667)**	**(417)**	**(200,216)**	**(4,541)**	**(16,354)**	**-**	**(260,194)**
Balance at December 31, 2019	**90,235**	**1,833**	**68,328**	**8,856**	**6,343**	**6,127**	**181,722**
Change of year:							
Investments	21,430	-	10,385	1,688	2,527	704	36,732
Disposal - Carrying amount	(29,816)	-	(5,122)	(1,643)	(2,042)	-	(38,622)
Disposal - accumulated depreciation	2,094	-	5,097	1,420	1,709	-	10,321
Reclassification - carrying amount	2,390	2	2,920	(118)	32	(5,983)	(757)
Reclassification - accumulated depreciation	62	-	50	126	56	-	293
Changes of consolidated companies - Carrying amount	387	-	582	15	(33)	-	950
Changes of consolidated companies - accumulated depreciation	(90)	-	(434)	(5)	56	-	(473)
Translation differences - carrying amount	(199)	(25)	(468)	(6)	(86)	-	(784)
Translation differences - accumulated depreciation	77	7	171	6	53	-	315
Depreciation	(5,675)	(188)	(12,072)	(3,015)	(2,164)	-	(23,115)
Carrying amount	**123,093**	**2,227**	**276,840**	**13,333**	**23,095**	**848**	**439,435**
Accumulated depreciation	**(42,199)**	**(598)**	**(207,404)**	**(6,009)**	**(16,643)**	**-**	**(272,853)**
Balance at December 31, 2020	**80,894**	**1,629**	**69,437**	**7,324**	**6,451**	**848**	**166,582**
Change of year:							
Investments	7,766	-	13,596	1,312	3,135	2,736	28,546
Disposal - Carrying amount	(9,396)	-	(7,413)	(1,578)	(2,833)	-	(21,219)
Disposal - accumulated depreciation	3,448	-	6,915	1,576	2,482	-	14,421
Reclassification - carrying amount	(7)	887	(234)	-	8	(717)	(63)
Reclassification - accumulated depreciation	-	(310)	313	-	-	-	3
Changes of consolidated companies - Carrying amount	-	-	-	-	-	-	-
Changes of consolidated companies - accumulated depreciation	-	-	-	-	-	-	-
Translation differences - carrying amount	73	41	142	2	20	-	279
Translation differences - accumulated depreciation	(34)	(16)	(71)	(2)	(14)	-	(137)
Depreciation	(6,086)	(233)	(12,599)	(2,784)	(2,303)	-	(24,005)
Carrying amount	**121,529**	**3,155**	**282,931**	**13,069**	**23,425**	**2,867**	**446,977**
Accumulated depreciation	**(44,871)**	**(1,157)**	**(212,845)**	**(7,219)**	**(16,478)**	**-**	**(282,570)**
Balance at December 31, 2021	**76,659**	**1,998**	**70,086**	**5,850**	**6,947**	**2,867**	**164,407**

At December 31, 2021, tangible assets totaled Euro 164,407 thousand, marking a net decline of Euro 2,176 thousand compared to the balance as at December 31, 2020 as a result of:

- investments of Euro 28,546 thousand, broken down as follows: "Distribution" for Euro 14,464 thousand (of which Euro 4,421 thousand for rights of use), "Shipping" for Euro 11,470 thousand (of which Euro 11,142 thousand for rights of use), "Services" for Euro 2,611 thousand (of which Euro 2,114 thousand for rights of use);
- depreciation for the period, Euro 24,005 thousand;
- reclassifications for a net amount of Euro 60 thousand;
- disposals of assets for a net amount of Euro 6,798 thousand, essentially represented by the sale of the warehouse owned by Fruttital S.r.l. located in Milan and the sale of the warehouse in Porto owned by Eurofrutas S.A. as well as the photovoltaic plant located in Albenga, as already fully described in the Report on Operations;
- increase due to the net exchange rate effect of Euro 142 thousand, essentially referring to the assets of the Mexico-based companies due to the Mexican Peso which went from 24.416 Pesos/Euro at December 31, 2020 to 23.144 Pesos/Euro as at December 31, 2021.

Land and buildings

The change in the period saw a total net decrease of Euro 4,235 thousand, resulting from disposals of Euro 5,947 thousand, reclassifications of Euro 7 thousand and depreciation of Euro 6,086 thousand. This reduction was partially offset by investments totaling Euro 7,766 thousand and exchange rate differences amounting to Euro 39 thousand. The disposals mainly regarded the sale of warehouses in Milan and Porto, whilst investments related to the purchase of the warehouse in Granadilla (Canary Islands) and the recognition of rights of use as per IFRS 16 relating to the lease of the new headquarters in Milan and new concessions/fees on existing contracts.
The value of land amounted to Euro 13,140 thousand, stated on the basis of the original sale and purchase deeds where existing or separated from the general purchase price of the building on the basis of percentages of about 20%.

Plantations

The item in question saw an increase of Euro 369 thousand, linked primarily to reclassifications of Euro 577 thousand, partially offset by depreciation for the year of Euro 233 thousand.

Plant and machinery

This line item includes cold rooms, banana ripening rooms, plants for product calibration and packaging, fruit storage and packaging facilities (Distribution sector) and ships (Shipping sector).
There was a net increase for the year of Euro 649 thousand, mainly due to investments of Euro 13,596 thousand, of which Euro 3,686 thousand in the Distribution sector (upgrades of the plant and machinery at the warehouses in almost all the distribution companies, as well as normal renewal of equipment) and Euro 9,910 thousand in the Shipping sector for the two-year lease of the fifth ship used by the ship-owning company, when until the previous year the annual lease did not trigger the application of IFRS 16 to this contract. In addition to the above, there are increases due to reclassifications amounting to Euro 79 thousand and for exchange rate differences amounting to Euro 72 thousand. Instead, the decreases pertain to the depreciation accrued during the year, amounting to Euro 12,599 thousand and disposals of assets for a net amount of Euro 498 thousand, primarily linked to the above-mentioned sales of the warehouses and the photovoltaic system.
The management has tested the values of the four Cale Rosse units for impairment based the foreseeable future performance of the business and did not identify any need to adjust the values of the ships. It should again be noted that as from 2022, following the positive verification of the condition of the owned Cala Rosse vessels carried out by the technical manager of the vessels, the company decided to extend the useful life of the vessels to the end of 2029, planning for a further dry-docking cycle to be carried out in 2024-25.

Industrial and commercial equipment

In this sector (essentially consisting of the container fleet of the Shipping company), the decrease of Euro 1,474 thousand is essentially related to depreciation of Euro 2,784 thousand, partially offset by investments in the period of Euro 1,312 thousand.

Other tangible assets

The item includes the assets owned by the Group such as furniture and furnishings, computer and electronic equipment, the car fleet, etc.
The increase of Euro 496 thousand during the period mainly reflects the effect of investments for Euro 3,135 thousand, reclassifications of Euro 8 thousand and exchange rate differences of Euro 6 thousand, offset by depreciation of Euro 2,303 thousand and disposals for a net amount of Euro 351 thousand.

Assets in progress and advances

The increase in this item of Euro 2,020 thousand is due to the recognition of Euro 2,736 thousand in investments, mainly connected with the refurbishment and expansion of the Alverca warehouse, and work in the course of completion at the Spanish and French warehouses. This change was partially offset by a reduction of Euro 502 thousand due to the entry into service of assets linked to the modernization of buildings and plant and machinery at the Italian, French and Spanish sites.

At December 31, 2021, the Group verified that there were no internal or external indicators of possible impairment for its property, plant and equipment. Consequently, the value of Property, plant and equipment has not been subject to impairment testing.

Leasing – IFRS 16

The Group has applied IFRS 16 as of January 1, 2019 using the modified retrospective method and in accordance with it has recorded the "Right of use" under "Property, plant and equipment" within each category to which it belongs. To complement the information provided in the table above, details are provided below of changes in the amount of rights of use recognized by the Group for the years 2020 and 2021.

Thousands of euro	Lands and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total
Carrying amount	**54,577**	**312**	**11,161**	**2,122**	**68,171**
Accumulated depreciation	**(5,055)**	**(81)**	**(2,809)**	**(614)**	**(8,559)**
Balance at December 31, 2019	**49,522**	**230**	**8,352**	**1,508**	**59,613**
Change of year:					
Changes of consolidated companies	188	-	-	-	188
Investments	1,449	(5)	1,442	787	3,674
Disposal - Carrying amount	(29,816)	-	(1,511)	(228)	(31,555)
Disposal - accumulated depreciation	2,094	-	1,291	190	3,576
Reclassification - Carrying amount	-	-	-	9	9
Reclassification - accumulated depreciation	-	-	-	(2)	(2)
Depreciations	(3,524)	(82)	(2,895)	(683)	(7,184)
Carrying amount	**26,397**	**307**	**11,092**	**2,690**	**40,486**
Accumulated depreciation	**(6,485)**	**(163)**	**(4,413)**	**(1,108)**	**(12,170)**
Balance at December 31, 2020	**19,913**	**143**	**6,679**	**1,582**	**28,317**
Change of year:					
Changes of consolidated companies	-	-	-	-	-
Investments	5,400	9,910	1,233	1,135	17,677
Disposal - Carrying amount	(2,138)	-	(1,346)	(691)	(4,175)
Disposal - accumulated depreciation	1,487	-	1,346	649	3,482
Reclassification - Carrying amount	-	-	-	-	-
Reclassification - accumulated depreciation	-	-	-	-	-
Depreciations	(3,514)	(82)	(2,656)	(731)	(6,983)
Carrying amount	**29,659**	**10,216**	**10,979**	**3,135**	**53,988**
Accumulated depreciation	**(8,511)**	**(245)**	**(5,723)**	**(1,191)**	**(15,670)**
Balance at December 31, 2021	**21,148**	**9,971**	**5,255**	**1,944**	**38,318**

In 2020, the significant decline in the buildings category was due, as reported in last year's financial statements, to the direct purchase of the Italian warehouses that until 2019 were leased under long-term agreements.
With regard to movements in 2021, there was an increase of approximately Euro 10 million in the plant category relating to the already mentioned two-year lease of the fifth ship used by the ship-owning company, when until the previous year the annual lease did not trigger the application of IFRS 16 to this contract.

At December 31, the current weighted average interest rate on contracts was 2.1%.
For the Group, the application of IFRS 16 has a significant impact in terms of net financial position and Adjusted EBITDA, given the existence of numerous warehouse and fruit and vegetable market point of sale concession and/or rental agreements, as well as operating leases on the reefer container fleet used by the ship-owning company, with an impact on Adjusted EBITDA in 2021 of Euro 7,663 thousand compared to Euro 7,998 in 2020. It should be noted, as previously reported, that the entry of the fifth vessel has no effect on the Adjusted EBITDA for the year 2021 as the costs and revenues relating to it are all attributable to 2022.

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NOTE 4. Investments accounted for using the equity method

Thousands of euro	Balance at December 31,2020	Change Year 2021					Balance at December 31,2021
		Profit/loss	Investments	Disposals	Dividends	Other Changes	
Agricola Azzurra S.r.l.	-	222	7,322	-	-	-	7,544
Moño Azul S.A.	2,893	101	-	-	-	352	3,346
Bonaoro S.L.U.	964	8	600	-	-	(6)	1,566
Fruport Tarragona S.L.	2,318	688	-	-	(707)	(2)	2,297
Total	**6,175**	**1,019**	**7,922**	**-**	**(707)**	**345**	**14,753**

Investments accounted for with the equity method increased Euro 8,578 thousand in the period. The most significant change relates to the new equity investment in Agricola Azzurra S.r.l., for an amount of Euro 7,322 thousand on the basis of the fair value at the time of the acquisition, with an adjustment component that could amount to a maximum Euro 3,212 thousand increase of the consideration in the event that the value of the benefit of the commercial relationships contributed by the Group were to be nil. During the valuation of the financial statements, in light of the results achieved in the fourth quarter of 2021, the estimate made at the time to determine the fair value of the acquisition, amounting to Euro 7,322 thousand, was confirmed.
At December 31, 2021, dividends received from companies accounted for using the equity method amounted to Euro 707 thousand.

No indication of impairment has been observed in respect of these equity investments.

NOTE 5. Non-current financial assets

Thousands of euro	31.12.2021	31.12.2020	Change
Investments in other companies	1,895	734	1,160
Other non-current financial assets	4,348	4,625	(277)
Non-current financial assets	**6,243**	**5,360**	**883**

At December 31, 2021, this item includes other minor investments measured at cost approximating fair value, security deposits as well as other medium-term receivables from third parties and associates. Within the item “Other equity investments” the most significant components are the 8% stake held in Tirrenofruit (2021 investment of Euro 1,160 thousand aimed at strengthening strategic positioning in Italian products in the large retail channel) and the 50% stake for a book value of Euro 300 thousand held by AZ France in the Tunisian company Citrumed S.A., which operates in the production of citrus fruits, with which AZ France has supply contracts governed under market conditions.
Security deposits amounted to Euro 830 thousand, marking an insignificant change from the previous year.
On the other hand, other non-current receivables from third parties and associates recorded a decrease of Euro 316 thousand, most of which referring to the collection of installments falling due in 2021 related to the disposal of the Argentine assets carried out in 2018.
Please refer to Note 34 for further details on changes in transactions with associates.

NOTE 6. Deferred tax assets

Thousands of euro	31.12.2021	31.12.2020	Change
Deferred tax assets	**8,492**	**8,999**	**(507)**

Deferred tax assets are recognized with a prudential criterion when their recovery by means of future taxable amounts is deemed to be reasonable and probable; they can derive from the temporary differences between the value of the assets and liabilities reflected in the financial statements relative to their value for tax purposes as well as from the tax losses that can be carried forward to the following years.
Deferred tax assets as at December 31, 2021, amounting to Euro 8,492 thousand, are recognized in relation to the valuation of prior tax losses of the Italian and foreign companies, as well as cost and revenue taxability/deductibility time differences according to the respective tax regulations, for example increases in provisions for risks and write-downs on receivables, as well as IFRS transition entries, such as the determination of the liability for defined employee benefits, according to the actuarial methodology.
For more information on the breakdown and changes in this item, please refer to the table below and Note 29 "Income Taxes".

Thousands of Euro	31.12.2021	31.12.2020
Previous tax losses	5,020	4,991
Effect IAS 19	829	931
Depreciation/Goodwill/trademarks	598	763
Reductions in value and provisions	993	1,118
Financial derivatives	58	359
Others	994	836
Deferred tax assets	**8,492**	**8,999**

NOTE 7. Inventories

Thousands of euro	31.12.2021	31.12.2020	Change
Raw materials, supplies and consumables	11,116	9,535	1,581
Biological Assets	130	61	68
Finished products and goods for resale	32,087	25,734	6,353
Inventories	**43,333**	**35,331**	**8,002**

Inventories of raw materials and consumables are represented essentially by the packaging materials used by the distribution companies and bunker, lubricants and spare parts of transport companies and are measured at FIFO. Biological assets refer to the company Productores Aguacate Jalisco S.A.C.V. in relation to fruit still ripening on the plant for Euro 130 thousand and Euro 61 thousand at December 31, 2021 and December 31, 2020, respectively, harvested and sold in the following months.
As of December 31, 2021 the value of inventories increased by Euro 8,002 thousand compared to the previous year, mainly due to the higher value of the final bunker inventories on ships caused by the higher unit price per ton of bunker, within raw materials and consumables and higher year-end stocks of fruit in inventory.

NOTE 8. Trade receivables

Thousands of euro	31.12.2021	31.12.2020	Change
Trade receivables from third parties	123,969	125,412	(1,443)
Receivables from subsidiaries and associates of the Group not fully consolidated	1,098	1,904	(806)
Receivables from related parties	413	295	117
Provision for bad debts	(11,803)	(12,132)	330
Trade receivables	**113,677**	**115,479**	**(1,802)**

All trade receivables are due within one year and derive from normal sales conditions. It should be noted that receivables are shown net of the provision for write-downs allocated over the years to cover bad or doubtful debts that are still in the financial statements pending the conclusion of the related bankruptcy proceedings or out-of-court settlement attempts. There are no receivables due beyond five years. It is believed that the provision for bad debts is appropriate to cope with the risk of potential non-collection of past due receivables.
As of December 31, 2021, the item "Trade receivables" showed a decrease of Euro 1,802 thousand linked to the above-mentioned activation of the working capital management operation and the different trends in collection volumes in the days immediately preceding and following December 31.
The balance of receivables due from related and associated Group companies mainly refers to normal trade receivables; an analysis of the positions is given in Note 34 on related parties.
The change in the provision for bad debts is reported below, which the Group prepares based on a realistic view of the actual recoverability of the individual receivables, as governed by IFRS 9 "Expected losses" and which is also inclusive of an amount of Euro 50 thousand relating to the more generic risk of non-collection of all financial assets posted to the financial statements. As at the reporting date, Euro 11.8 million are entered, of which the most part, almost Euro 9.0 million, assigned to the Portuguese, Greek and Spanish companies in view of past-due receivables and almost entirely written off in the over one year segment.

Thousands of euro	**Provision for bad debts**
Balance at December 31, 2020	**(12,132)**
Change of year	
Accruals	(353)
Utilizations	682
Balance at December 31, 2021	**(11,803)**

The following is the breakdown of the receivables by geographical area:

Thousands of euro	**31.12.2021**	**31.12.2020**	**Change**
Italy	56,635	54,475	2,160
EU countries	50,524	57,834	(7,310)
Non-Eu countries	6,517	3,170	3,348
Trade receivables	**113,677**	**115,479**	**(1,802)**

NOTE 9. Current tax assets

Thousands of euro	**31.12.2021**	**31.12.2020**	**Change**
For value added tax	8,286	9,616	(1,330)
For income tax	2,968	2,639	328
Current tax assets	**11,254**	**12,256**	**(1,001)**

As of December 31, 2021, tax assets decreased by a total of Euro 1,001 thousand due to a different VAT credit of Euro 1,330 thousand, partially offset by a higher income tax credit of Euro 328 thousand.

NOTE 10. Other receivables and other current assets

Thousands of euro	31.12.2021	31.12.2020	Change
Advances to suppliers	4,391	4,348	42
Other receivables	5,527	5,709	(183)
Accruals and pre-payments	2,888	2,330	557
Current financial assets	1,377	237	1,140
Other receivables and other current assets	**14,182**	**12,625**	**1,557**

As at December 31, 2021 this item recorded an overall increase of Euro 1,557 thousand due to the increase in the item Current financial assets for Euro 1,140 thousand as a result of the recognition of positive mark-to-markets on bunker for Euro 504 thousand and on exchange rates for Euro 852 thousand. In addition to this change, there was an increase in accrued income and deferred expenses of Euro 557 thousand and advances to suppliers of Euro 42 thousand, partially offset by a reduction in other receivables of Euro 183 thousand.
As already noted in previous reports starting from the 2017 financial statements, the balance of "Other receivables" was not affected by the receivable from the related party, Argentina S.r.l., for Euro 8,000 thousand, as it has been entirely written off (Note 34).
The item "Accrued and deferred assets" refers to the normal allocations for the recognition and proper allocation of costs related to the following year, typically insurance expenses, leases, and interest.

NOTE 11. Cash and cash equivalents

Thousands of euro	31.12.2021	31.12.2020	Change
Cash and cash equivalents	**55,043**	**40,489**	**14,555**

The balance reflects the current account balances of Group companies. The change in the item can be analyzed in detail in the cash flow statement.

NOTE 12. Equity attributable to Owners of the parent company

The share capital at December 31, 2021, fully paid in, consists of 17,682,500 shares without par value for a value of Euro 69,163,340; there are no preference shares. Holders of ordinary shares have the right to receive the dividends as they are resolved and, for each share held, have a vote to be cast in the Company's shareholders' meeting.
The change in shareholders' equity at December 31, 2021 compared to the previous December 31 essentially reflects the recognition of the result achieved during the year which was more than proportional to the decrease due to the dividend paid and the purchase of treasury shares.
At December 31, 2021, Orsero held 302,514 treasury shares, equal to 1.71% of the share capital, for a value of Euro 2,572 thousand, shown as a direct decrease in shareholders' equity. In the course of 2021, the Parent Company acquired a total of 150,000 treasury shares at an average price of Euro 10.88 per share for a total of Euro 1,631 thousand.
As at December 31, 2021, the Group does not hold, directly or indirectly, shares in parent companies and it did not acquire or sell shares in parent companies during the year.
The amount of the share capital as at December 31, 2020, in compliance with the provisions of IAS 32, is to be considered net of treasury shares for Euro 942 thousand and costs for the purchase of equity investments for Euro 153 thousand, while as at December 31, 2021 it is to be considered net of treasury shares for Euro 2,572 thousand and costs for the purchase of equity investments for Euro 153 thousand.
The share premium reserve comes to Euro 77,438 thousand at December 31, 2021, whilst the legal reserve is Euro 647 thousand.

The reserve of exchange difference on translation incorporates all the foreign exchange differences deriving from the conversion of the financial statements of foreign operations. The change for the year amounts to Euro +160 thousand, the validation of which, together with the derivative mark-to-market spreads, is shown in the total amount of Euro 2,556 thousand in the statement of comprehensive income.
The cash flow hedging reserve, recognized for Euro 969 thousand (positive), shows the change relating to the adjustment to fair value as at December 31, 2021 net of the tax effect with an indication thereof in the statement of comprehensive income of the derivative on the bunker, for Euro 504 thousand (positive fair value), the derivatives on interest rates for Euro 183 thousand and the derivative on exchange rates for Euro 648 thousand (positive fair value), all accounted for with the cash flow hedging method.
The reserve of remeasurement of defined benefits plans, established in compliance with the application of IAS 19, changed by Euro 24 thousand on December 31, 2020.
The Parent Company's Shareholders' Meeting of April 29, 2021, accepting the proposal of the Board of Directors, resolved to distribute a dividend of Euro 0.20 per share with a total payout of Euro 3,506 thousand. The ex-dividend date was May 10, 2021, the record date was May 11 and payments began on May 12, 2021.
The consolidated statement of changes in shareholders' equity, included in the consolidated financial statements to which reference is made, illustrates the changes between December 31, 2019 and December 31, 2020 and between December 31, 2020 and December 31, 2021, of the individual reserve items.
The following is a reconciliation as at December 31, 2021 between the Parent Company's equity and equity attributable to Owners of the parent company and between the Parent Company's profit for the year and profit for the year attributable to Owners of the parent company.

Thousands of euro	**Share capital and reserves at 31.12.2021**	**Profit/loss 2021**	**Total Shareholders' equity at 31.12.2021**
Orsero S.p.A. (Parent company)	**142,493**	**7,011**	**149,503**
The difference between the carrying amount and the corresponding equity	(56,564)	-	(56,564)
Pro-quota gains/losses achieved by subsidiaries	-	28,961	28,961
Pro-quota recognition of associated companies consolidated using the equity method	(550)	1,019	469
Dividends distributed by consolidated companies to the Parent company	18,453	(18,453)	-
Consolidation differences	47,355	-	47,355
Elimination of capital gain and/or other transactions carried out by subsidiaries	5,710	(249)	5,461
Total Group equity and net profit attributable to Parent company	**156,896**	**18,290**	**175,186**
Minority interests and net profit attributable to non controlling interests	449	219	668
Total shareholders' equity and profit/loss	**157,345**	**18,508**	**175,854**

In regard to the above reconciliation, please note the following:

- the derecognition of intergroup dividends relates to dividends paid by the subsidiaries consolidated on a line-by-line basis (Productores Aguacate Jalisco to Comercializadora de Frutas; Comercializadora de Frutas and Postifruit to AZ France; AZ France, Fruttital, Hermanos Fernández López, Cosiarma to Orsero), as well as the dividend of the associate Fruport to Orsero;
- the amounts relating to the effect of the derecognition of capital gains and/or other transactions implemented by subsidiaries, derive essentially from the year's intercompany transactions, in particular recognition of depreciation on the greater value attributed to the

buildings entered by the company Hermanos Fernández López and determined during the acquisition.

Below is a list of shareholders with an investment in excess of 5% (considering the classification of the Issuer as an SME in accordance with Art. 1, paragraph 1, letter w-quater.1 of Italian Legislative Decree no. 58/1998, as subsequently amended and supplemented (the "Consolidated Law on Finance" or "TUF")), as resulting from the Consob communications received in accordance with Art. 120 of the TUF and other information available to the Company.

Shareholder's name (1)	Number of shares	% on the total share capital
FIF Holding S.p.A.	5,746,492	32.50%
Grupo Fernandez S.A.	1,115,942	6.31%
Praude Asset Management Ltd.	1,687,379	9.54%
Global Portfolio Investments S.L. (2)	1,014,440	5.74%
First Capital S.p.A.	920,010	5.20%
(1) Updated on January 25, 2021		
(2) The declaring company at the top of the control chain is Indumenta Pueri S.L.		

NOTE 13. Non-controlling interests

The change in the item Minority interests is due to the results for the year. Minority interests in the capital of consolidated companies are now limited, as shown in the table below.

Consolidated company (thousands of euro)	% non-controlling interests	Capital and reserves	Profit/(Loss)	Equity non-controlling interests
Productores Aguacate Jalisco S.A.C.V.	30.00%	452	221	673
Kiwisol LDA	0.25%	4	-	4

NOTE 14. Financial liabilities

The financial liabilities disclosure provided below is combined, including both the non-current and current portion, in order to make it more immediately understandable.
The financial exposure is as follows:

Thousands of euro	31.12.2021	31.12.2020	Change
Bond payables (over 12 months)	30,000	30,000	-
Non - current medium term bank loans (over 12 months)	37,728	47,663	(9,935)
Non - current other lenders (over 12 months)	1,888	1,828	60
Non - current other lenders (over 12 months) ex IFRS 16	28,392	22,445	5,947
Non-current liabilities for derivative (over 12 months)	240	636	(395)
Non-current payables for price balance on acquisitions (over 12 months)	-	775	(775)
Non - current financial liabilities	**98,248**	**103,347**	**(5,099)**
Bond payables (current)	-	-	-
Current medium term bank loans	15,329	15,785	(456)
Bank overdrafts	13,844	13,829	15
Current other lenders	1,020	1,061	(41)
Current other lenders ex IFRS 16	10,669	6,430	4,239
Other current lenders short term	1,455	1,057	398
Current liabilities for the derivatives	-	861	(861)
Current payables for price balance on acquisitions	200	1,666	(1,466)
Current financial liabilities	**42,518**	**40,689**	**1,828**

The change in FY 2021 of a total of Euro 3,271 thousand (between non-current and current) reflects the primary components, mostly related to medium-term loans, as detailed below:

- the payment by the Parent Company of the June 30 and December 31 installment of Euro 10,909 thousand on the pool loan, along with Euro 125 thousand accounted for as implicit interest deriving from the recognition of the item with the amortized cost method. Please recall that at December 31, a hedge is in place on 71% of that loan against interest rate fluctuations, for which the mark to market value is a negative Euro 174 thousand. Please note that this loan is subject to covenants calculated as the ratio between the net financial position and Adjusted EBITDA and the net financial position and shareholders' equity at the reporting date, which were fully respected.
- the payment of Euro 1,115 thousand in interest on the debenture loan of Euro 30,000 thousand (it is recalled that the first principal installment will be due in October 2023). Please also note that the debenture loan calls for compliance with the financial covenants, such as the ratio of net financial position and Adjusted EBITDA and the net financial position and shareholders' equity at the reporting date; as at this date, full compliance was noted;
- the signing of a 6-year loan agreement, with pre-amortization in the first year, with Credit Agricole for Euro 5,500 thousand. An IRS hedge was activated on this loan for 100% of the loan value. As of December 31, 2021 the mark-to-market value is Euro -54 thousand;
- the signing of a 4-year loan agreement with Credem for Euro 2,000 thousand;
- payment by Fruttital of the June 30 and December 31 installments of the pool mortgage loan totaling Euro 1,324 thousand, together with the recognition of Euro 61 in implicit interest, plus the early repayment of Euro 3,000 thousand in connection with the sale of the Milan warehouse. At December 31, a hedge is in place on 85% of that loan against interest rate fluctuations, for which the mark to market value is a negative Euro 12 thousand. This loan is subject to respect for financial covenants, verified on an annual basis and fully respected at December 31;
- the regular payment by Fruttital of the installments falling due of the existing medium-term loans for a total of Euro 1,308 thousand;
- the regular repayment by Moncada Frutta of the loan installments for Euro 85 thousand, fully extinguishing the loan;
- the regular payment by Cosiarma of the installments falling due on the existing loan for a total of Euro 490 thousand;
- the payment by Thor of the June 30 and December 31 installments of the mortgage loan totaling Euro 40 thousand;
- the regular payment by AZ France of the installments falling due on medium-term loans totaling Euro 774 thousand;
- a new five-year loan taken out by Hermanos Fernández López from Banco Sabadell for Euro 1,000 thousand and, on the other hand, the regular repayment at maturity of the outstanding loan installments for a total of Euro 910 thousand;
- the regular repayment of the installments due for the Mexican company Comercializadora de Frutas for Euro 234 thousand;
- new finance leases taken out by Hermanos Fernández López S.A. amounting to Euro 1,123 thousand against payments on finance leases outstanding totaling Euro 971 thousand;
- the repayment of the installments set forth in the lease agreement by Fruttital for Euro 64 thousand;
- new finance leases taken out by Eurofrutas amounting to Euro 48 thousand and payments on finance leases outstanding totaling Euro 110 thousand;
- the regular repayment of the lease installments of the Mexican company Productores Aguacate Jalisco for Euro 7 thousand;
- within the item other financial payables, the IFRS 16 component is equal respectively to Euro 39,061 thousand, against Euro 17,677 thousand due to new contracts entered into in 2021, payments in the reference period for Euro 6,787 thousand and write-offs following the early termination of lease/rental contracts for Euro 704 thousand;

- with reference to the mark to market on hedging derivatives, there was an improvement by a total of Euro 2,396 thousand, of which Euro 1,256 thousand as a reduction in negative mark to markets and Euro 1,140 thousand as a change in positive mark to markets. In detail, mark to markets on the various hedges amounted to a negative Euro 240 thousand (interest rates), positive Euro 852 thousand (exchange rates) and positive Euro 852 thousand (bunker);
- with reference to the value of the price installments to be paid on acquisitions, which fell from Euro 2,442 thousand to the current Euro 200 thousand, note the regular payment of Euro 1,200 thousand for the price installment linked to the acquisition of the Fruttica Group, amounting of Euro 300 thousand as the balance of the price installment linked to the acquisition of Sevimpor; of Euro 243 thousand as the balance of the price installment linked to the acquisition of Galandi and of Euro 318 thousand as the balance of the price installment linked to the acquisition of Moncada Frutta.

Please note that the following loans have change of control clauses:

- Orsero debenture loan for an original Euro 30 million, falling due in 2028;
- Orsero pool loan for an original Euro 60 million, falling due in 2024;
- Fruttital pool mortgage loan for an original Euro 15 million, falling due in 2029;
- La Caixa loan in Fruttital for an original Euro 2.6 million, falling due in 2023;
- Banque Populaire loans in AZ France for an original Euro 1.3 million, falling due in 2023 and 2024;
- Loans from Credit Lyonnais to AZ France originally amounting to Euro 1.8 million maturing in 2023 and 2025, in addition to the mortgage loan originally for Euro 1.65 million maturing in 2029;
- La Caixa loan in Hermanos Fernández López originally for Euro 0.5 million, falling due in 2024;
- Comercializadora de Frutas mortgage loans originally for USD 1.5 million, falling due in April and August 2022.

The medium-term debt maturity with banks and other lenders as of December 31, 2020 and December 31, 2021 is detailed in the table below, broken down into current and non-current portions, with the latter further broken down into portions falling within/beyond five years.

Thousands of euro	**Total**	**2021**	**> 31.12.21**		**2021-2024**	**> 31.12.24**
Bond payables (Non-current/current)	30,000	-	30,000		15,000	15,000
Medium term bank loans (Non - current/ current)	63,448	15,785	47,663		40,404	7,259
Other lenders (Non - current/ current)	2,890	1,061	1,828		1,828	-
Other lenders (Non - current/ current) ex IFRS 16	28,875	6,430	22,445		11,822	10,622
Liabilities for the derivatives (Non-current/current)	1,496	861	636	as follows:	636	-
Bank overdrafts	13,829	13,829	-		-	-
Other current lenders short term	1,057	1,057	-		-	-
Payables for price balance on acquisitions (Non-current/current)	2,442	1,666	775		775	-
Financial liabilities at 31.12.2020	**144,037**	**40,689**	**103,347**		**70,465**	**32,882**

Thousands of euro	**Total**	**2022**	**> 31.12.21**		**2022-2025**	**> 31.12.25**
Bond payables (Non-current/current)	30,000	-	30,000		20,000	10,000
Medium term bank loans (Non - current/ current)	53,058	15,329	37,728		32,420	5,308
Other lenders (Non - current/ current)	2,908	1,020	1,888		1,888	-
Other lenders (Non - current/ current) ex IFRS 16	39,061	10,669	28,392		18,130	10,261
Liabilities for the derivatives (Non-current/current)	240	-	240	as follows:	240	-
Bank overdrafts	13,844	13,844	-		-	-
Other current lenders short term	1,455	1,455	-		-	-
Payables for price balance on acquisitions (Non-current/current)	200	200	-		-	-
Financial liabilities at 31.12.2021	**140,766**	**42,518**	**98,248**		**72,679**	**25,569**

Regarding the hedges taken out by the Group, it should be noted that as of December 31, 2021 there are:

- a hedge on part of the bunker consumption of the ship-owning company, the mark to market of which is positive at the reporting date and equal to Euro 504 thousand;
- a hedge on interest rates relating to the pool loan originally amounting to Euro 60 million, the mortgage loan originally amounting to Euro 15 million and the loan originally amounting to Euro 5.5 million, whose mark to market at the reporting date is negative and equal to Euro 240 thousand;
- a hedge on 2022 purchases of US dollars, with a positive mark to market of Euro 852 thousand.

Please note that in view of the loans granted, as at December 31, 2021, mortgages were posted on corporate assets, as follows:

- Fruttital S.r.l.: mortgage on the three former NBI warehouses in Verona, Rome and Molfetta purchased in January 2020 for an amount equal to the residual value of the loan; AZ France S.A.S.: mortgage on the property in Solgne in favor of Credit Lyonnais for an amount equal to the residual value of the loan;
- Thor S.r.l.: mortgage on the Savona property in favor of the bank for an amount of Euro 590 thousand, equal to twice the residual debt.
- Comercializadora de Frutas Acapulco: mortgage on the land and building and pledge on specific plants acquired in connection with the loan, for a total of USD 1,500 thousand in the favor of Banamex, and mortgage on land and building relative to the opening of credit facilities on a Banamex revolving mortgage current account, for USD 1,600 thousand.

Please note that the pool loan contract and the debenture loan envisage compliance with financial and equity covenants, summarized in the table below. Please note that the financial covenants existing on the bond and pool loans of the Parent Company must be counted, as envisaged by the relative contracts, on a net financial position that excludes the application of the new standard IFRS 16 for the entire term of such loans. Such covenants were respected in full at the reporting date.

Thousands of euro	Duration	Period	Parameter	Limit	Respected
Bond payables 30 M€ - Parent company	2018-2028	Annually/ Half-yearly	Net financial position / Total Shareholders' Equity	<1.25	Yes
Bond payables 30 M€ - Parent company	2018-2028	Annually/ Half-yearly	Net Financial Position / Adjusted Ebitda	<3/4*	Yes
Bond payables 30 M€ - Parent company	2018-2028	Annually/ Half-yearly	Adjusted Ebitda/ Net financial expenses	>5	Yes
Pool loan 60 M€ - Parent company	2018-2024	Annually	Net financial position / Total Shareholders' Equity	<1.5	Yes
Pool loan 60 M€ - Parent company	2018-2024	Annually	Net Financial Position / Adjusted Ebitda	<3.0	Yes
Medium term loan 15 M€ - Fruttital	2020-2029	Annually	Net financial position / Total Shareholders' Equity	<1.5	Yes
Medium term loan 15 M€ - Fruttital	2020-2029	Annually	Net Financial Position / Adjusted Ebitda	<3.0	Yes
Medium term loan Banamex 1,5 M$ - Comercializadora de Frutas	2020-2022	Annually	Net financial position / Total Shareholders' Equity	>5	Yes
Medium term loan Banamex 1,5 M$ - Comercializadora de Frutas	2020-2022	Annually	Net Financial Position / Adjusted Ebitda	<2	Yes
Medium term loan Banamex 1,5 M$ - Comercializadora de Frutas	2020-2022	Annually	Current assets/ Current liabilities	>1.2	Yes

* The first parameter must be respected in the annual verification and the second on a half-yearly basis

According to that required by Consob communication no. 6064293 dated July 28, 2006 and in compliance with the CESR Recommendation of February 10, 2005 "Recommendation for the standardized implementation of the European Commission Regulation on information prospectuses", below is the net financial debt of the Group as at December 31, 2021.

Thousands of euro		31.12.2021	31.12.2020
A	Cash	55,043	40,489
B	Cash equivalents	21	20
C	Other current financial assets	1,356	217
D	**Liquidity (A + B + C)**	**56,420**	**40,725**
E	Current financial debt *	(15,499)	(16,552)
F	Current portion of non-current financial debt **	(27,019)	(23,277)
G	**Current financial indebtedness (E + F)**	**(42,518)**	**(39,829)**
H	**Net current financial indebtedness (G - D)**	**13,903**	**896**
I	Non-current financial debt ***	(68,248)	(73,432)
J	Debt instruments	(30,000)	(30,000)
K	Non-current trade and other payables	-	(776)
L	**Non-current financial indebtedness (I + J + K)**	**(98,248)**	**(104,208)**
M	**Total financial indebtedness (H + L)**	**(84,346)**	**(103,311)**

*Included debt instruments, but excluding current portion of non-current financial debt

** Including respectively euro 10,697 and 6,430 from lease contracts ex IFRS 16 as of 31.12.2021 and 31.12.2020

*** Excluding current portion and debt instruments (including respectively euro 28,345 and 22,445 from lease contracts ex IFRS 16 as of 31.12.2021 and 31.12.2020

The table below shows the change in liquidity for the year in relation to cash flows generated by operating, investing and financing activities as detailed in the cash flow statement.

Thousands of Euro	31.12.2021	31.12.2020
Cash flow from operating activities	55,083	37,993
Cash flow from investing activities	(33,351)	(10,981)
Cash flow from financing activities	(7,177)	(43,086)
Increase/decrease in cash and cash equivalent	14,555	(16,074)
Net cash and cash equivalents, at beginning of the year	**40,489**	**56,562**
Net cash and cash equivalents, at end of the year	**55,043**	**40,489**

In terms of changes in liabilities as a result of financing activities, information is provided that allows users of the financial statements to evaluate the changes that occurred in compliance with IAS 7.

Liabilities from financing activities	31.12.2020	New loans	Reimbursements/ decrements	Cash Flow	Derivatives	Changes of consolidation scope	Changes of exchange rate/other	31.12.2021
Bond payables (over 12 months)	30,000	-	-	-	-	-	-	30,000
Non-current medium term bank loans	63,448	8,500	(18,891)	-	-	-	-	53,058
Non-current other lenders (over 12 months)	2,890	1,171	(1,152)	-	-	-	-	2,908
IFRS 16 Effect	28,875	17,677	(7,491)	-	-			39,061
Factor*	1,057	1,455	(1,057)	-	-	-	-	1,455
Current other lenders short term*	-	-	-	-	-	-	-	-
Current liabilities for the derivatives	1,496	-	-	-	(1,256)	-	-	240
Bank overdrafts	13,829	-	-	15	-	-	-	13,844
Payables for price balance on acquisitions (Non current-current)	2,442	-	(2,242)	-	-	-	-	200
Current financial assets	(237)	(1)	-	-	(1,140)	-	-	(1,377)
Total	**143,801**	**28,801**	**(30,832)**	**15**	**(2,396)**	**-**	**-**	**139,389**

* Included in the "Other current lenders short term"

NOTE 15. Other non-current liabilities

Thousands of euro	31.12.2021	31.12.2020	Change
Other non-current liabilities	**1,057**	**1,240**	**(184)**

"Other non-current liabilities" amounted to Euro 1,057 thousand as at December 31, 2021, with a decrease of Euro 184 thousand relative to December 31, 2020, due to the reduction of deferred income for income and contributions expected to be released to the income statement in future years.

NOTE 16. Deferred tax liabilities

Thousands of euro	31.12.2021	31.12.2020	Change
Deferred tax liabilities	**4,081**	**5,048**	**(966)**

Deferred tax liabilities are allocated on the basis of temporary differences, subject to deferred taxation, resulting from adjustments made to individual financial statements of consolidated companies in accordance with homogeneous Group accounting standards and on temporary differences between the value of assets and liabilities recorded in the consolidated financial statements and their value for tax purposes. As at December 31, 2021, this item shows a decrease of Euro 966 thousand, of which Euro 1,202 thousand, essentially related to the release of deferred taxes calculated on the higher values of the ships recorded in 2015 on First Time Adoption of IAS, following the adhesion to the "Tonnage Tax" regime as already explained extensively in the report. For further details, reference is made to Note 29 "Income taxes".

NOTE 17. Provisions

Thousands of euro	31.12.2021	31.12.2020	Change
Provision for the return of containers	2,686	1,915	771
Provisions for risks and charges	2,640	2,471	169
Provisions	**5,326**	**4,386**	**940**

The item "Provisions" includes provisions made on the basis of the disputes existing as at December 31, 2021 in the various Group companies, which are the result of accurate estimates made by the Directors, as well as the provision set up for the expected maintenance costs to be incurred when the containers used in shipping activities are returned at the end of the contract.
In 2021 the amount of provisions increased overall, essentially due to the additional amount recognized to the provision for the return of containers, of Euro 771 thousand. The allocations recognized in the provisions, which represent the estimate of future cash outflows prepared also based on historical experience, were not subject to actuarial valuation since the effect was considered negligible in the consolidated financial statements.
On the other hand, as regards the other provisions for risks on disputes, the change during the year resulted from allocations of Euro 864 thousand against uses of Euro 696 thousand. A brief overview is provided below of the status of significant tax, civil and labor law disputes outstanding as of December 31, 2021, for most of which, as specified, no provisions have been made as a negative outcome is not considered likely in light of the opinions received from legal advisors. Indeed, IAS 37 establishes that directors must make provisions to the financial statements only if the risk is considered likely and quantifiable, with the purpose, therefore, of expressing the most truthful and correct situation, whilst for other risks which lack this characteristic, the international accounting standards exclude any provisioning for purely "prudent" reasons.

(a) *Customs dispute*

- At the date of this Report, there is no news concerning the series of disputes established between the Savona Customs Agency and the companies Simba and Fresco, concerning some imports of bananas carried out by the Group in the years from 1997 to 2000. These disputes carry a theoretical risk of around Euro 5 million in customs duties and VAT, plus any interest and ancillary charges. During the previous year 2020, in order to hold the Group harmless from any negative outcome of such proceedings, the Group took out appropriate insurance coverage for a cost of Euro 600 thousand plus tax, as reported in the 2020 Report on Operations.
- The provision for risks of Euro 1,600 thousand, which was mentioned in previous Reports to the 2019 and 2020 financial statements, remains unchanged, relating to the ruling to pay in favor of the MEF and the Customs Agency a provisional sum of Euro 1,580,950.15 jointly and severally with a third party, in addition to legal interest and the reimbursement of court costs issued in 2019 by the Venice Court of Appeal, subject to possible quantification of the related damages in favor of the MEF, the Customs Agency and the Commission of the European Union following separate civil proceedings. In response to the appeal promptly lodged by the Group, in December 2021, following the hearing in chambers on September 22, 2021, the Court of Cassation issued a detailed interlocutory order referring the case to the First President for possible assignment of the appeal to the Joint Divisions, in order to provide an answer to a series of issues arising from our defense briefs, as evidence of the complexity of this dispute.

(b) *Tax dispute*

- At December 31, 2021, the Mexican subsidiary Comercializadora de Frutas Acapulco continues to be involved in a tax dispute that had originated following a tax audit on tax period 2013, covering income tax (ISR), Imposta Empresarial a Tasa Unica (IETU) and VAT. As mentioned last year, the local tax administration mainly disputed the deductibility of certain costs connected with the purchase, harvest and transport of fruit, ascertaining greater tax for 34,193 thousand Mexican pesos, plus sanctions and additional charges for a total of 70,555 thousand Mexican pesos (equal to approximately Euro 3,000 thousand). On February 4, 2020, the Federal Court of Administrative Justice upheld the petition submitted by the company, declaring the deed null whereby the Tax Administration had activated the tax claim. The Tax Administration appealed this ruling on December 8, 2020, and the case is still pending before the local regional administrative court. The Company did not recognize any provision for risks on this dispute insofar as, with the support of local advisors, it considers its risk of losing remote.
- As at December 31, 2021, the Portuguese subsidiary Eurofrutas continues to be involved in a dispute concerning a tax assessment notice relative to 2014, through which the Portuguese tax administration ascertained presumptively (through the indirect method) greater revenues for Euro 1,677 thousand, which led to greater VAT including interest, for Euro 111 thousand. As noted in previous reports, the company had started a dispute against said assessment, with the suspension of payment of the amounts challenged; the results are still pending. The Company has not made any provision for risks on this dispute insofar as, with the support of local advisors, it considers the risk of losing remote.

(c) *Civil dispute*

At December 31, 2021, the dispute, already reported in last year's financial statements, with the company Gasparri S.r.l. is still in progress in relation to the request submitted by the latter to classify relations with Fruttital in the years 2010-2016 as an agency contract in order to claim alleged severance indemnities in an amount of Euro 335 thousand plus VAT and ancillary charges. Following the conclusion of a complex legal procedure, a settlement proposal is being finalized with the counterparty, which definitively resolves the dispute, against which the company has supplemented to the extent necessary the provision for risks already recognized in 2020.

- As of December 31, 2021, Fruttital Firenze is involved in proceedings lodged by Sun World, against CONAD and Tropico S.r.l. as well, in order to ascertain the alleged infringement of a patent for a plant variety and a distinctive mark owned by the plaintiff and the alleged commission of acts of unfair competition pursuant to Article 2598, nos. 1, 2 and 3 of the Italian Civil Code, resulting in a request to (i) order the defendants to provide compensation for damages and return profits, (ii) order an injunction against the continuation of the alleged unlawful conduct and (iii) order the publication of the ruling to be issued in specialized publications. Fruttital Firenze appeared before the court with a statement of appearance and response and a request for Corallo S.r.l. to be summoned, with a view to being held harmless and indemnified by the latter in the unlikely event of a negative outcome. In accepting Fruttital Firenze's request, at the hearing of June 30, 2020 the judge postponed the date of the first appearance hearing to January 13, 2021, in order to allow Corallo S.r.l. to be summoned, which Fruttital Firenze promptly did. The third party, Corallo S.r.l., appeared before the court in view of the hearing on January 13, 2021, during which each party referred to its own defensive arguments, pleas and objections already in the court records. At the end of the hearing, the judge, after granting the time limits for filing the briefs and examining the parties' preliminary requests, deemed the case ready for a decision, adjourning it to the hearing on October 11, 2022 for the presentation of closing arguments.
  During 2021, Fruttital was party to a series of lawsuits filed against it by various workers who had performed work under the contract between Fruttital S.r.l. and some cooperatives at the Fruttital warehouse in Milan. The claim made concerned a request for the establishment of a subordinate employment relationship, which Fruttital rejected, also because the warehouse was no longer operational, seeking a negotiated solution, which was found and implemented with the majority of the claimants, the cost of which was expensed during the year. As of December 31, 2021, a minimal part of these disputes is still pending, against which a sum has been allocated to the provision for risks in line with the settlements finalized during the year.

Unless otherwise specified in this paragraph, as at the reporting date, the Group had not established any specific provisions in connection with said disputes, taking into account that the liabilities deriving from such disputes are not presently considered probable, also in light of the opinions received from the legal consultants in connection with the state of proceedings.

NOTE 18. Employee benefits liabilities

A statement of changes in the liabilities for employee benefits at December 31, 2021 is attached.

Thousands of euro	Employees benefits liabilities
Balance at December 31, 2020	**9,861**
Change of year:	
Accruals	740
Benefits paid and transferred	(661)
Interest cost	(42)
Gain/losses resulting from changes in actuarial assumptions	(77)
Change of consolidation scope	-
Other changes	(61)
Balance at December 31, 2021	**9,761**

The Provision for employee benefits includes obligations for post-employment employee benefits and other long-term benefits. The methods whereby the benefits are guaranteed varies according to the legal, tax and economic conditions of the states in which the Group companies operate. The benefits are usually based on the employees' remuneration and length of service. Obligations refer to active employees. The liability relative to the provision for employee benefits refers to the Italian and foreign companies of the Group, in accordance with the various national regulations, and essentially includes employee severance indemnity accrued by employees in service at December 31, net of advances paid to employees. In accordance with IAS 19, the Provision for employee benefits is measured using the actuarial valuation methodology, through the support of an external specialist, and adjusted in relation to the occurrence of relevant events.

The main financial and demographic assumptions used in determining the present value of the liability relative to the Provision for employee benefits are described below.

Discount rate	
Italy	Cosiarma, Fresco e Orsero Servizi 0,688%, Frutital e Galandi 0,349%, Fruttital Firenze 0,254%, Moncada 0,933%, Orsero e Simba 0,458%
France	0.254%
Portugal	0.576%
Spain	Barcellona 0,688%, Alicante 0,160%, Madrid 0,761%, Siviglia e Tarragona 0,835%,
Greece	0,349%
Mexico	Acapulco 7,671%, Jalisco 9,960%
Inflation rate	
Italy	1.5%
France, Greece, Spain, Portugal	Includes in the salary increases except Mexico
Mexico	n.a.
Mean withdrawal rate	
Italy	Cosiarma 2,2%, Fruttital, Orsero e Fresco 3,0%, Fruttital Firenze 4,6%, Galandi 4,3%, Simba 2,9% e Orsero Servizi e Moncada 2%
Mean withdrawal amount rate	
Italy	Cosiarma, Fruttital, Orsero, Orsero Servizi, Galandi, Fresco e Moncada 70,0%, Fruttital Firenze 54,6%, Simba 48,4%
Salary increases (included inflation)	
Italy	1,5% (included inflation except for Fruttital)
Portugal, Spain, Mexico, Greece, France	1% (included inflation)
Mexico	n.a.
Mortality rate	
Italy	SIMF 2020
Mexico	Mexico Life Table 2019
Spain	Spanish Life Table 2018
Portugal	Portugal Life Table 2020
Greece	Greek Life table 2019
France	France Life Table 2019
Access to retirement	
Italy	Minimum access requirements required by Monti-Forner Law
Portugal, Spain, Mexico, Greece, France	Minimum access requirements required by current legislation
Probability of termination	
Italy	Cosiarma e Galandi 5,2%, Fruttital, Orsero Servizi e Fresco 5%, Fruttital Firenze 8,5%, Orsero 6,3%, Simba 8% e Moncada 4%
France	Cas général 9,00%, Cadres 10,00%, Agent de maîtrise 8,00%
Greece	White Collar 7,00%, Blue Collar 6,00%
Spain	Barcellona 3,5%, Alicante 4,2%, Tarragona 2%, Siviglia e Madrid 8%
Portugal	6.00%
Mexico	Acapulco 5,5%, Jalisco 6,5%

The equity adjustment for actuarial gains/losses includes an actuarial gain of Euro 77 thousand, including the tax effect of Euro 30 thousand. The actuarial gains and losses are booked to shareholders' equity through the statement of comprehensive income, while the provision for the year is recorded in an appropriate item relating to "personnel costs".

NOTE 19. Trade payables

Thousands of euro	31.12.2021	31.12.2020	Change
Payables to suppliers	123,028	111,704	11,324
Payables to subsidiaries and associates of the Group not fully consolidated	3,521	1,078	2,443
Payables to related parties	305	130	175
Trade payables	**126,854**	**112,912**	**13,942**

There are no trade payables with a residual maturity of more than 5 years recognized in the financial statements. As at December 31, 2021, there are no past-due payables of significant value. At December 31, 2021, the item shows a net increase of Euro 13,942 thousand, due to the increase of Euro 11,324 thousand in the value of payables to suppliers, of Euro 2,443 thousand in payables to Group companies not consolidated line-by-line and of Euro 175 thousand in payables to related parties. The change in payables to suppliers in 2021 compared to December 31, 2020 reflects the different trend in payments made around year-end.
The geographic breakdown of the payables is as follows:

Thousands of euro	31.12.2021	31.12.2020	Change
Italy	70,093	67,199	2,894
EU countries	52,535	43,506	9,029
Non-Eu countries	4,226	2,207	2,019
Trade payables	**126,854**	**112,912**	**13,942**

NOTE 20. Current tax liabilities

Thousands of euro	31.12.2021	31.12.2020	Change
For value added tax (VAT)	468	377	90
For income tax of the year	1,842	1,740	102
For withholding tax	1,432	1,183	249
For indirect taxes	394	401	(7)
Other payables	7	2	4
Current tax liabilities	**4,142**	**3,703**	**439**

At December 31, 2021, this item had a balance of Euro 4,142 thousand, up compared to the balance at December 31, 2020 by a total of Euro 439 thousand, of which Euro 90 thousand for higher VAT payable, Euro 102 thousand for a higher payable for income taxes for the year, Euro 249 thousand for withholding tax to be paid and Euro 4 thousand for other payables. The positive change is partially offset by the decrease in the item indirect taxes of Euro 7 thousand. There are currently no past due amounts related to the item in question.

NOTE 21. Other current liabilities

Thousands of euro	31.12.2021	31.12.2020	Change
Social security contributions	3,392	3,353	40
Payables to personnel	10,190	8,493	1,697
Payables relating to operations on behalf of third parties	1,295	1,286	9
Other current payables	4,772	3,493	1,278
Accrued expenses and deferred income	1,162	1,061	101
Other current liabilities	**20,811**	**17,686**	**3,125**

As at December 31, 2021, the item "Other current liabilities" shows an increase of Euro 3,125 thousand, mainly due to the increase in the item payables to personnel for Euro 1,697, related primarily to the recognition of the LTI/MBO incentives for the year 2021, and the increase in the item other current payables for Euro 1,278 thousand mainly due to an increase in suspended revenues pertaining to the subsequent year in relation to the ship-owning company.
Payables to personnel relate to current items for December, as well as accrued and unused holidays, 13th and 14th month accruals, and year-end bonuses, inclusive of those institutionally due to the workforce of the French and Mexican companies on the basis of local regulations.
It should be noted that as of December 31, 2021 other current liabilities include payables to natural person related parties for a total of Euro 1,534 thousand linked to remuneration for employment, remuneration as members of the Board of Directors of the parent company and provisions for key manager bonuses.

NOTE 22. Segment reporting

Based on the current organizational structure of the Orsero Group, the information required by IFRS 8, broken down by "business segment", is shown below. The performances and trend of the three sectors in which the Group operates are monitored and mainly valued on the basis of revenues and Adjusted EBITDA; this latter parameter, though not defined by international accounting standards, is the indicator that shows the Group's true business performance. Adjusted EBITDA is calculated as the operating result (EBIT) less depreciation, amortization and provisions, non-recurring costs/income, and costs associated with Top Management bonuses. The parameter thus determined does not take into account financial income, financial expenses and foreign exchange differences, income taxes, other income/expenses from investments and the share of profits/losses from investments accounted for using the equity method.

Thousands of euro	31.12.2021				
	Distribution	Shipping	Holding & Services	Eliminations/ Consolidated adjustments	Total
Net sales to third parties	1,000,412	64,815	4,548	-	1,069,776
Inter-segment net sales	47	39,010	6,027	(45,084)	-
Net sales of the sector	**1,000,459**	**103,825**	**10,576**	**(45,084)**	**1,069,776**
Adjusted Ebitda	**35,437**	**24,407**	**(6,916)**	**-**	**52,929**
Adjusted Ebit	**20,300**	**13,122**	**(7,895)**	**-**	**25,526**
Amortization and depreciation	(13,534)	(10,488)	(973)	-	(24,994)
Accruals of provision	(1,603)	(798)	(7)	-	(2,408)
Non recurring income	1,839	-	151	(82)	1,909
Non recurring expense	(2,586)	(33)	(1,773)	82	(4,310)
Financial income	191	53	249	(141)	352
Financial expesense	(1,552)	(285)	(1,957)	141	(3,654)
Exchange rate differences	4	(40)	25	-	(11)
Share of profit from companies consolidated at equity	-	-	-	1,019	1,019
Revaluations of securities and investments	1	-	-	-	1
Devaluations of securities and investments	-	-	-	-	-
Intra-group dividends	-	-	16,943	(16,943)	-
Result of securities and investments negotiation	9	-	(7)	-	3
Profit/loss before tax	**18,206**	**12,817**	**5,736**	**(15,923)**	**20,835**
Income tax expense	(4,664)	685	1,652	-	(2,327)
Profit/loss	**13,542**	**13,502**	**7,387**	**(15,923)**	**18,508**

Thousands of euro	31.12.2021			
	Distribution	Shipping	Holding & Services	Total
Total assets without investments in associates	328,952	83,916	245,541	658,409
Investments in associates	5,119	-	9,481	14,601
Total aggregate assets	**334,072**	**83,916**	**255,022**	**673,009**
Total aggregate liabilities	**236,201**	**35,901**	**102,141**	**374,243**
Total aggregate shareholders'equity	**97,870**	**48,016**	**152,881**	**298,766**

Thousands of euro	31.12.2020				
	Distribution	Shipping	Holding & Services	Eliminations/ Consolidated adjustments	Total
Net sales to third parties	982,805	54,254	4,475	-	1,041,535
Inter-segment net sales	22	41,041	6,061	(47,125)	-
Net sales of the sector	**982,827**	**95,296**	**10,536**	**(47,125)**	**1,041,535**
Adjusted Ebitda	**36,656**	**17,660**	**(5,911)**	**-**	**48,404**
Adjusted Ebit	**22,844**	**6,421**	**(6,850)**	**-**	**22,414**
Amortization and depreciation	(12,686)	(10,559)	(936)	-	(24,180)
Accruals of provision	(1,126)	(680)	(3)	-	(1,809)
Non recurring income	33	-	2	-	35
Non recurring expense	(2,647)	(39)	(1,001)	-	(3,687)
Financial income	170	20	252	(190)	252
Financial expesense	(1,669)	(355)	(2,201)	190	(4,034)
Exchange rate differences	194	(115)	12	-	91
Share of profit from companies consolidated at equity	-	-	-	795	795
Revaluations of securities and investments	-	-	-	799	799
Devaluations of securities and investments	(44)	-	-	44	-
Intra-group dividends	-	-	12,553	(12,553)	-
Result of securities and investments negotiation	77	-	-	(63)	14
Profit/loss before tax	**18,958**	**5,932**	**2,766**	**(10,977)**	**16,679**
Income tax expense	(5,681)	(742)	2,012	-	(4,411)
Profit/loss	**13,277**	**5,190**	**4,778**	**(10,977)**	**12,269**

Thousands of euro	31.12.2020			
	Distribution	Shipping	Holding & Services	Total
Total assets without investments in associates	323,262	71,861	239,125	634,248
Investments in associates	4,519	-	2,159	6,678
Total aggregate assets	**327,781**	**71,861**	**241,284**	**640,927**
Total aggregate liabilities	**235,328**	**30,648**	**90,725**	**356,701**
Total aggregate shareholders'equity	**92,453**	**41,213**	**150,560**	**284,226**

In compliance with what is indicated in IFRS 8, in the table above a disclosure is given on total assets, total liabilities, the amount of the investment in associates and joint ventures and, lastly, aggregate shareholders' equity by sector. It is specified that the sector data indicated in the notes should be read together with the performance indicators expressed in the directors' Report on Operations.

Main customer

It should be noted that there are no revenues from transactions with a single external customer equal to or greater than 10% of the Group's total revenues.

NOTE 23. Net sales

Thousands of euro	31.12.2021	31.12.2020	Change
Revenues from sales	1,000,714	985,496	15,219
Revenues from services	69,062	56,039	13,022
Net Sales	**1,069,776**	**1,041,535**	**28,241**

At December 31, 2021, turnover was Euro 1,069,776 thousand, an increase of Euro 28,241 thousand compared to December 31, 2020. For a detailed analysis of sales, please refer to the single Report on Operations, in the section "Commentary on performance of the business sectors". Please note that Group revenues mainly derive from the sale of fresh fruit and vegetables from many of the world's countries, in the territories under its purview.

Geographical information

The analysis of the information by geographical area shows details of the Group's revenues, divided up into the main geographical areas (thereby meaning those in which the related Orsero Group company is based that generated the revenue) for FYs 2021 and 2020, showing the Group's substantially eurocentric nature.

Thousands of euro	31.12.2021	31.12.2020	Change
Europe	**1,020,241**	**1,005,686**	**14,554**
of which Italy	*470,255*	*462,297*	*7,959*
of which France	*200,673*	*195,874*	*4,800*
o which Spain	*292,062*	*276,271*	*15,791*
Latin America and North America	**49,535**	**35,849**	*13,687*
Total net sales	**1,069,776**	**1,041,535**	**28,241**

As shown in the table above, the Eurozone constituted the real heart of the Orsero Group business, whilst the revenues achieved in America derive from the activities carried out in Mexico, as well as those carried out in Costa Rica, Chile, Argentina and Colombia. The change in revenues from one year to the next for the European companies reflects changes in the volumes and average unit prices of the fruit and vegetables sold, to which it is necessary to add the revenues of the ship-owning company, which, being linked to the dollar (the currency in which maritime freight rates are typically denominated), are significantly affected by exchange rate fluctuations and the adjustment of freight rates on the basis of fuel cost fluctuations (BAF clause effect). For Latin America the variability is essentially linked to the trends in volumes and unit prices of avocado exports. Finally, please note that for Group revenues, the currency component is insignificant, given that the revenues of distributors, apart from the Mexican company, are all in euros.

NOTE 24. Cost of goods sold

The following table shows the cost of goods sold by allocation and by nature.

Thousands of euro	31.12.2021	31.12.2020	Change
Raw materials and finished goods costs	721,561	713,906	7,655
Cost of commissions on purchases and sales	1,965	1,890	75
Transport and handlig costs	138,335	134,108	4,227
Personnel costs	29,533	28,228	1,305
Depreciation and amortization	20,742	20,207	536
Accruals of provision	798	556	242
External production and maintenance costs	30,004	26,468	3,536
Utilities	7,030	6,911	119
Bunker'cost	26,026	22,107	3,918
Rental costs for ships and containers	3,894	4,916	(1,022)
Containers costs	2,227	1,515	712
Leases and rentals	1,127	1,346	(219)
Other costs	1,215	1,146	69
Other operating revenues and cost recoveries	(8,896)	(9,579)	684
Cost of goods sold	**975,562**	**953,725**	**21,837**

The increase in the cost of goods sold is linked to revenue growth, with a change proportional to the growth in net sales. For further details, please refer to what has already been commented on in the directors' Report on Operations. In addition, there was an increase in the bunker cost compared to the previous year, essentially due to the increase in its price in USD/Ton, and a decrease in the cost linked to the chartering of ships and containers due to the fact that in 2020 third party ships were chartered to replace owned ships during dry-docking operations.

Note that the item "Raw material and finished goods costs" comprises Euro 4,153 thousand of costs due to associates, valued at market value and included in the balances indicated in Note 34, to which reference is made.
Instead, the item "Transport and handling costs" comprises Euro 5,238 thousand to the Group's associated companies and Euro 1,071 thousand to related companies; these balances are also included in the details provided in Note 34.
The item "Other operating revenues and cost recoveries" comprises Euro 124 thousand in revenues from associates of the Group. For further details, reference is made to Note 34.

NOTE 25. General and administrative expense

The table below details the overhead and administrative costs by allocation and by nature.

Thousands of euro	31.12.2021	31.12.2020	Change
Corporate bodies fees	1,558	1,395	163
Costs for notary, tax, legal and other professional services	4,109	4,154	(45)
Commercial, advertising, promotional, representation expenses	1,294	1,111	183
Personnel costs	40,434	38,735	1,698
Depreciation and amortization	4,252	3,974	278
Accruals for provision	1,610	1,253	357
Costs for maintenance, external labor and various other services	6,832	6,931	(100)
Insurance expenses	1,884	1,648	237
Utilities	1,643	1,625	18
Travel expenses	1,176	804	372
Costs of company car fleet	821	822	(1)
Rental costs and various rentals	559	508	51
Charges for purchase and services from associates and related companies	467	496	(29)
Other costs	3,034	2,907	127
Acquisition costs of stationery and material of consumption	428	378	50
Fees, commissions, bank guarantees charges and factoring	969	909	60
General and administrative expense	**71,071**	**67,650**	**3,420**

The table shows an increase in general and administrative expense compared to the previous year. Labor costs rose significantly due to increases in both headcount and personnel profiles, especially regarding activities in Italy and Spain. There was an increase in travel expenses as business travel resumed following the easing of restrictions related to the COVID-19 epidemic.

"Charges for purchases and services from associates and related companies" comprises Euro 30 thousand to associated companies and Euro 437 thousand to related companies. For further details, reference is made to Note 34.

NOTE 26. Other operating income/expense

Thousands of euro	31.12.2021	31.12.2020	Change
Other operating income	6,051	3,751	2,300
Other operating expenses	(6,070)	(5,148)	(923)
Total other operating income/expense	**(19)**	**(1,397)**	**1,378**

Annexed are details of the items "Other operating income" and "Other operating expense" for the years 2021 and 2020 with separate indication of ordinary positions with respect to non-recurring items.

Thousands of euro	31.12.2021	31.12.2020	Change
Revenues from recovery of costs and insurance reimbursements	308	360	(52)
Plusvalues and contingent revenues in ordinary course of business	2,083	1,331	752
Others	1,751	2,024	(273)
Other ordinary operating income	**4,143**	**3,716**	**427**
Covid-19 income	64	35	29
Gains on disposal of intangible assets and materials	1,775	-	1,775
Others	70	-	70
Other non-recurring operating income	**1,908**	**3,751**	**1,873**

Other ordinary income, like the item "Other ordinary expense" below, includes cost and revenue elements not already classified in the above sections of the income statement and elements such as contingent assets and liabilities of costs and revenues linked to previous years due to differences in estimates, which as such recur every year (for example, reversals of premiums given/received to/from customers and suppliers, differences on insurance reimbursements collected compared to forecasts, etc.). They also include any contributions for operating expenses, capital gains and capital losses on current disposals of assets and the capitalization of costs linked to investment initiatives. In 2021, in particular, capitalization was recorded with reference to the progress status of the new ERP system implementation for Euro 864 thousand. In terms of non-recurring revenues for the year 2021, please note that the Group recognized Euro 64 thousand in income for facilitations linked to COVID-19. The significant change in non-recurring income in 2021 compared to 2020 was caused by the recognition of the gross capital gain of Euro 1,775 thousand as a result of the sale of the warehouse owned by Fruttital S.r.l. located in Milan, which is no longer part of the Group's operating strategies, and the photovoltaic plant located in Albenga.

Please note that the item "Other operating income" comprises Euro 9 thousand from associated companies and Euro 39 thousand from related companies.

Thousands of euro	31.12.2021	31.12.2020	Change
Penalties, sanctions and costs for damage to third parties	(219)	(122)	(97)
Minusvalues and contingent losses in ondinary course of business	(1,541)	(1,338)	(203)
Other ordinary operating expenses	**(1,760)**	**(1,461)**	**(300)**
Top Management incentives	(1,753)	(1,092)	(661)
Covid-19 costs	(300)	(887)	587
Losses on disposal of intangible assets and materials	(236)	-	(236)
Others	(2,021)	(1,708)	(313)
Other non - recurring operating expenses	**(4,310)**	**(3,687)**	**(622)**

Given what is noted above with respect to the nature of the ordinary costs shown in this table, there were no significant deviations in 2021 with respect to the previous year. With regard to non-recurring items, it should be noted that at December 31, 2020 and December 31, 2021 the Group recognized provisions for Top Management bonuses in the amount of Euro 1,092 thousand and Euro 1,753 thousand, broken down into Euro 852 for MBO (bonus component that will be paid after approval of the 2021 financial statements) and Euro 901 thousand for LTI (deferred bonus component, payable in two tranches in 2023 and 2024, subject to the condition that the beneficiaries remain in the company during the reference period, the "vesting period", and indexed to the performance of the Orsero share price). For further details, reference should be made to the "Top Management incentive remuneration - 2020-2022 LTI Plan and 2021 incentives" section of the directors' Report on Operations.

It should be noted that for the 2020 LTI bonus shares the revaluation has already been taken into account, to the maximum extent of 40% provided for by the Plan, on the base bonus determined by the growth in the Orsero average share price equal, in the second half of 2021, to Euro 10.08, more than 1.6 times the average price in the second half of 2020, of Euro 6.08.

Euro 300 thousand in costs incurred to deal with the COVID-19 epidemic emergency were also recorded.

The costs indicated in the "Other" category typically regard the cost of profit sharing for employees of the French and Mexican companies, as required by the relevant regulations, as well as costs related to the resolution of any disputes of significant amounts. In this last area, please note in 2021 the expenses related to the closure of labor disputes lodged by employees of the cooperatives that operated in the Milan warehouse and, for 2020, the insurance taken out for the "Simba" customs dispute, as described in the last annual report.

The item "Other operating expense" does not include charges to associates or related companies. For further details, reference is made to Note 34.

NOTE 27. Financial income, financial expense and exchange differences

The item "Financial income, financial expense and exchange differences" is broken down as follows:

Thousands of euro	31.12.2021	31.12.2020	Change
Financial income	352	252	101
Financial expense	(3,654)	(4,034)	380
Exchange rate differences	(11)	91	(102)
Financial income, financial expense and exchange differences	**(3,313)**	**(3,691)**	**379**

For each item included in the item in question, details are provided below:

Thousands of euro	31.12.2021	31.12.2020	Change
Interest income to third parties	278	194	84
Interest income to associates and joint ventures	33	34	(2)
Interest for IAS 19	42	23	18
Financial income	**352**	**252**	**101**

Thousands of euro	31.12.2021	31.12.2020	Change
Interest expenses from bank/bond	(2,643)	(3,022)	379
Interest expenses to third parties	(146)	(15)	(131)
Interest expenses IFRS 16	(864)	(996)	132
Financial expense	**(3,654)**	**(4,034)**	**380**

Thousands of euro	31.12.2021	31.12.2020	Change
Realized exchange rate differences	(446)	545	(992)
Unrealized exchange rate differences	435	(454)	889
Exchange rate differences	**(11)**	**91**	**(102)**

Financial expense was down due to the improvement in the Net Financial Position as well as the posting of Euro 864 thousand in interest expense to third parties due to the application of IFRS 16.

NOTE 28. Other investment income/expense and Share of profit/loss of investments accounted for using the equity method

Thousands of euro	31.12.2021	31.12.2020	Change
Dividends	9	7	2
Share of profit from companies consolidated at equity	1,019	795	224
Revaluations of securities and investments	1	799	(798)
Result of securities and investments negotiation	(6)	7	(13)
Other investment income/expense and Share of profit/loss of associates accounted for using equity method	**1,023**	**1,608**	**(585)**

The change in the amount of "Other income/expense from investments and in the share of profits/losses of investments accounted for using the equity method" essentially refers to the change in the item Revalution of securities and equity investments for Euro 798 thousand as the income as per IFRS 3 "Step-up acquisition" for Euro 799 thousand relating to the Moncada Frutta acquisition was recorded at December 31, 2020.
The amount of the "Share of profit from companies consolidated at equity" is equal to Euro 1,019 thousand. This result shows an increase of Euro 224 thousand compared to 2020 and includes the result of the last quarter of the company Agricola Azzurra acquired on October 4, 2021.

NOTE 29. Income tax expense

Almost all Italian subsidiaries participate in the “tax consolidation” system headed by Orsero, in accordance with Articles 117 et seq. of the TUIR, and a similar system has been implemented in France by AZ France and its French subsidiaries.
The changes in taxes are summarized in the following table.

Thousands of euro	31.12.2021	31.12.2020	Change
Current taxes for the year	(5,469)	(7,855)	2,387
Deferred taxes = from statutory tax consolidation	1,934	3,864	(1,930)
Deferred taxes incomes and liabilities	1,207	(419)	1,627
Income tax expense	**(2,327)**	**(4,411)**	**2,084**

The significant reduction in taxes with respect to the previous year is due to the ship-owning company which, with effect from January 1, 2021, opted for the facilitated system for determining taxes: “tonnage tax”. In addition, please note that the application of this tax regime resulted in the release of deferred taxes calculated on the higher values of ships recorded in 2015 on the First Time Adoption of IAS, with a benefit on the result of Euro 1,202 thousand.

Thousands of euro	2021 -Aliquota 24%		2020 -Rate 24%	
	Imponibile	Imposta	Taxable	Tax
Profit before tax	**20,835**		**16,679**	
Theoretical tax		**(5,000)**		**(4,003)**
Benefit "step acquisition" ex-IFRS 3	-	-	(799)	192
Tonnage Tax Cosiarma		2,843		
International register Cosiarma		-		860
Share of profit from companies consolidated at equity	(1,019)	245	(795)	191
Foreign companies for different tax rate		(286)		(411)
Taxed dividends from companies of Group	18,452	(221)	14,858	(178)
Reversal of deferred tax accruals		1,429		-
Non imposable items/recoveries		(497)		(37)
Effective tax		**(1,488)**		**(3,386)**
Irap/Cvae taxes		(839)		(1,024)
Income tax expense in the consolidated financial statement		**(2,327)**		**(4,411)**
Effective rate		11.2%		26.4%

The table above details the reconciliation of theoretical and actual tax for the two years, clearly showing the differences; the higher impact of taxation of the Cosiarma Tonnage Tax compared to the previous facilitated “international register” system and the ensuing release of deferred taxes following the adoption of this regime. A separate line shows the Irap and Cvae (France) taxes calculated on a different tax base.
The table below shows the changes in the various deferred tax asset components by type.

Thousands of euro	Statement of financial position		Income statement		Comprehensive income statement	
	2020	2019	2020	2019	2020	2019
Previous tax losses	5,020	4,991	29	(150)	-	-
Effect IAS 19	829	931	(43)	(39)	(30)	139
Depreciation/Goodwill/trademarks	598	763	(164)	22	-	-
Reductions in value and provisions	993	1,118	(124)	(114)	-	-
Financial derivatives	58	359	-	-	(301)	242
Others	994	836	158	(466)	-	-
Deferred tax assets	**8,492**	**8,999**	**(144)**	**(746)**	**(331)**	**381**

The table below shows the changes in the various deferred tax liability components by type.

Thousands of euro	Statement of financial position		Income statement		Comprehensive income statement	
	2021	2020	2021	2020	2021	2020
Leasing	(1,728)	(1,620)	(108)	(96)	-	-
Warehouse revaluation	-	(227)	227	-	-	-
On J-entries FV Magazzini Fernández	(1,820)	(1,885)	65	65	-	-
Ships depreciation	(297)	(1,309)	1,202	328	-	-
Financial derivatives	(204)	(10)	-	-	(194)	(10)
Others	(31)	3	(34)	30	-	-
Deferred tax liabilities	**(4,081)**	**(5,048)**	**1,351**	**327**	**(194)**	**(10)**

As at December 31, 2021, there are no significant tax disputes in progress, apart from those mentioned previously in Note 17.
There were no other significant amendments to the tax legislation between 2021 and 2020, with the exception of the reduction of the tax rate in France, which declined from 28% to 26.5% starting on January 1, 2021.

NOTE 30. Reconciliation of the Adjusted EBITDA with the period result

A reconciliation is provided of the Adjusted EBITDA, used by the Group's management team as a performance indicator monitored on a consolidated level, with the profit/loss for the year presented in the income statement.

Thousands of euro	31.12.2021	31.12.2020	Change
Profit/loss	**18,508**	**12,269**	**6,239**
Income tax expense	2,327	4,411	(2,084)
Financial income	(352)	(252)	(101)
Financial expense and exchange rate differences	3,665	3,943	(278)
Other investment income/expense	(4)	(813)	809
Share of profit/loss of associates and joint ventures accounted for using equity method	(1,019)	(795)	(224)
Operating result (Ebit)	**23,125**	**18,763**	**4,362**
Amortization of intangible and depreciation tangible assets	24,994	24,180	814
Accruals of provision	2,408	1,809	599
Top Management incentives	1,753	1,092	661
Non recurring income	(1,909)	(35)	(1,873)
Non recurring expense	2,557	2,595	(38)
Adjusted Ebitda*	**52,929**	**48,404**	**4,524**

* Please note that the Adjusted Ebitda at December 31, 2021 equal of Euro 52.929 thousand (Euro 48.404 thousand at December 31, 2020) includes Euro 7.663 thousand of positive effect related to IFRS 16 "leases"(Euro 7.998 thousand at December 31, 2020). This improving effect is almost completely offset by the higher depreciation Euro 6.983 thousand and interest expenses Euro 864 thousand (at December 31, 2020 Euro 7.184 thousand and interest expenses Euro 996 thousand).

NOTE 31. Earnings per share

The basic earnings per share are calculated, in accordance with IAS 33, dividing the Group's portion of the profit by the average number of shares outstanding during the period. The "Fully Diluted" earnings per share are calculated dividing the net profit of the Group by the average number of outstanding shares including special shares and warrants, in both cases excluding treasury shares in the portfolio.

Euro	2021	2020
Profit/loss attributable to Owners of Parent	**18,289,521**	**12,217,004**
Average number of outstanding shares during the period	**17,509,951**	**17,298,044**
Earnings per share "base" in euro	**1.045**	**0.706**
Average number of outstanding shares during the period	17,509,951	17,298,044
Average number of outstanding shares granted for the medium/long-term management incentive plan	-	-
Diluted average number of outstanding shares during the period	**17,509,951**	**17,298,044**
Earning per share "Fully Diluted" in euro	**1.045**	**0.706**

NOTE 32. Disclosures on financial instruments - additional disclosures

The table below shows a detailed analysis of the assets and liabilities envisaged by IFRS 7, in accordance with the categories envisaged by IFRS 9 for 2021 and 2020.

Thousands of euro	Balance at 31.12.21	Assets measured at amortized cost	Assets at FV with changes recognized in the PL*	Liabilities measured at amortized cost	Liabilities at FV with changes recognized in the CI *
Financial assets					
Investments in other companies	1,894	1,894	-	-	-
Other non-current financial assets	4,348	4,348	-	-	-
Trade receivables	113,677	113,677	-	-	-
Current tax assets	11,254	11,254	-	-	-
Other receivables and other current assets	14,182	12,805	21	1,356	-
Cash and cash equivalent	55,043	55,043	-	-	-
Financial assets	**200,399**	**199,022**	**21**	**1,356**	**-**
Financial liabilities					
Financiali liabilities of which:					
Bond payables	*(30,000)*	-	-	*(30,000)*	-
Non-current medium term bank loans (over 12 months)	*(37,728)*	-	-	*(37,728)*	-
Non-current other lenders (over 12 months)	*(1,888)*	-	-	*(1,888)*	-
Non-current other lenders (over 12 months) ex IFRS 16	*(28,392)*	-	-	*(28,392)*	-
Non-current liabilities for derivative (over 12 months)	*(240)*	-	-	-	*(240)*
Non-current payables for price balance on acquisition (over 12 months)	-	-	-	-	-
Current medium term bank loans	*(15,329)*	-	-	*(15,329)*	-
Bank overdraft	*(13,844)*	-	-	*(13,844)*	-
Current other lenders	*(1,020)*	-	-	*(1,020)*	-
Current other lenders ex IFRS 16	*(10,669)*	-	-	*(10,669)*	-
Other current lenders short term	*(1,455)*	-	-	*(1,455)*	-
Current liabilities for derivative	-	-	-	-	-
Current payables for price balance on acquisition	*(200)*	-	-	*(200)*	-
Other non-current liabilities	(1,057)	-	-	(1,057)	-
Trade payables	(126,854)	-	-	(126,854)	-
Current tax liabilities	(4,142)	-	-	(4,142)	-
Other current liabilities	(20,811)	-	-	(20,811)	-
Financial liabilities	**(293,630)**	**-**	**-**	**(293,389)**	**(240)**

* CI=Comprehensive income; PL=Income Statement; FV= Fair Value

Thousands of euro	Balance at 31.12.20	Assets measured at amortized cost	Assets at FV with changes recognized in the PL*	Assets at FV in the CI*	Liabilities measured at amortized cost	Liabilities at FV with changes recognized in the CI *
Financial assets						
Investments in other companies	734	734	-	-	-	-
Other non-current financial assets	4,625	4,625	-	-	-	-
Trade receivables	115,479	115,479	-	-	-	-
Current tax assets	12,256	12,256	-	-	-	-
Other receivables and other current assets	12,625	12,388	20	217	-	-
Cash and cash equivalent	40,489	40,489	-	-	-	-
Financial assets	**186,208**	**185,971**	**20**	**217**	**-**	**-**
Financial liabilities						
Financiali liabilities of which:						
Bond payables	*(30,000)*	-	-	-	*(30,000)*	-
Non-current medium term bank loans (over 12 months)	*(47,663)*	-	-	-	*(47,663)*	-
Non-current other lenders (over 12 months)	*(1,828)*	-	-	-	*(1,828)*	-
Non-current other lenders (over 12 months) ex IFRS 16	*(22,445)*	-	-	-	*(22,445)*	-
Non-current liabilities for derivative (over 12 months)	*(636)*	-	-	-	-	*(636)*
Non-current payables for price balance on acquisition (over 12 months)	*(775)*	-	-	-	*(775)*	-
Current medium term bank loans	*(15,785)*	-	-	-	*(15,785)*	-
Bank overdraft	*(13,829)*	-	-	-	*(13,829)*	-
Current other lenders	*(1,061)*	-	-	-	*(1,061)*	-
Current other lenders ex IFRS 16	*(6,430)*	-	-	-	*(6,430)*	-
Other current lenders short term	*(1,057)*	-	-	-	*(1,057)*	-
Current liabilities for derivative	*(861)*	-	-	-	-	*(861)*
Current payables for price balance on acquisition	*(1,666)*	-	-	-	*(1,666)*	-
Other non-current liabilities	(1,240)	-	-	-	(1,240)	-
Trade payables	(112,912)	-	-	-	(112,912)	-
Current tax liabilities	(3,703)	-	-	-	(3,703)	-
Other current liabilities	(17,686)	-	-	-	(17,686)	-
Financial liabilities	**(279,578)**	**-**	**-**	**-**	**(278,081)**	**(1,496)**

* CI=Comprehensive income; PL=Income Statement; FV= Fair Value

It should be noted that among financial assets only "Other receivables and other current assets" include securities, i.e. financial instruments measured at fair value through profit or loss, and they also include the positive fair value of hedging derivatives through other comprehensive income. Trade and other receivables are measured at the nominal value that, considering the speed of collection, coincides with the value determined by the application of amortized cost, in compliance with IFRS 9. Among financial liabilities, trading derivatives fall within the category "Liabilities measured at fair value", while hedging derivatives are recorded at fair value; the related change is accounted for in a shareholders' equity reserve that constitutes the comprehensive income statement. In this regard, it is noted that the Group has derivative contracts outstanding as at December 31, 2021 related to interest rate and exchange rate hedges and the bunker hedge as already reported in Notes 9 and 14.

Indeed, at December 31, 2021, there was a hedging instrument (swap) on the bunker that the ship-owning company activated in order to reduce and control the risks associated with changes in the price of the fuel. At December 31, 2021, its positive fair value of Euro 504 thousand was recognized under the item "Other receivables and other current assets", with the specially designated shareholders' equity reserve as contra-entry.

As at December 31, 2021, there is an interest rate hedge in place linked to the Euro 60 million loan, in addition to that initially activated by the sub-holding company GF Distribuzione S.r.l. on the Euro

20 million loan transferred to the Parent Company following the refinancing operation, whose negative fair value amounts to Euro 174 thousand, booked to the item "Non-current financial liabilities", with a specially designated shareholders' equity reserve as contra-entry.
There is also a second interest rate hedge in place, linked to the loan of Euro 5.5 million, whose negative fair value amounts to Euro 54 thousand, booked to the item "Non-current financial payables", with a specially designated shareholders' equity reserve as contra-entry.
Finally, there is a third interest rate hedging instrument on the loan of Euro 15,000 thousand, held by Fruttital S.r.l., whose mark to market at the reporting date is negative and equal to Euro 12 thousand, recorded under non-current financial liabilities with a shareholders' equity reserve as contra-entry.
In addition, there is a hedge on purchases of USD, the mark to market of which is positive and equal to Euro 852 thousand, posted under the item "Other receivables and other current assets" with a shareholders' equity reserve as contra-entry.

NOTE 33. Disclosures on assets and liabilities measured at fair value

Several standards and disclosure requirements require the Group to measure the fair value of financial and non-financial assets and liabilities. Based on the requirements of IFRS 13 "Fair value measurement", the following disclosure is provided.

Fair value of financial instruments:

- for financial assets and liabilities that are liquid or have a very short maturity, the book amount is considered to approximate fair value; this hypothesis also applies to term deposits, disposable securities and floating rate financial instruments;
- for the measurement of the fair value of hedging instruments, valuation models based on market parameters are used. At the reporting date, interest rate, USD purchase and bunker hedging derivatives had been stipulated, as already described extensively;
- the fair value of non-current financial liabilities is obtained by discounting all future cash flows at the period-end conditions. In the current situation, where for medium-term debt the cost of the loan is aligned with the market value, the nominal values of the debt are considered as fair values.

As regards trade and other receivables and payables, the fair value is equal to the book value, based on the consideration of their close expiry.

Fair value of non-financial instruments:

- for long-term biological assets (a category not currently present in the Group's financial statements), the cost method is used net of accumulated depreciation for the determination of the carrying amount;
- for current biological assets (agricultural product on the plant) fair value is used, i.e. the market value net of transportation costs.

It should be noted that, when third party information is used to determine the fair value, such as brokers' estimates or pricing services, the Group evaluates and documents the information obtained from third parties to support the fact that these evaluations comply with the provisions of IFRS, including the fair value hierarchy level in which to reclassify the associated valuation.
In the fair value measurement of an asset or liability, the Group uses observable market data as much as possible. Fair value is divided up into various hierarchical levels according to the input data used in the measurement techniques, as explained below.

- Level 1: the valuation techniques use prices listed (not adjusted) on an active market for identical assets or liabilities subject to valuation;
- Level 2: the valuation techniques consider inputs other than the previous prices, but that can, however, be observed directly (prices) or indirectly (derived from prices) on the market;

- Level 3: the techniques use inputs that are not based on observable market data.

If the input data used to measure the fair value of an asset or liability comes under different fair value hierarchy levels, the entire valuation is inserted in the same input hierarchy level at the lower level which is significant for the entire valuation. The Group records transfers between the different levels of the fair value hierarchy at the end of the year in which the transfer took place.

Financial instruments

Derivatives, valued using techniques based on market data, are swaps on bunkers and exchange rates and IRSs on interest rates whose purpose is to hedge both the fair value of underlying instruments and cash flows. The most frequently applied valuation techniques include "forward pricing" and "swap" models, which use the calculations of the present value. The following table analyzes financial instruments measured at fair value based on three different levels of valuation.

Thousands of euro		31.12.2021			31.12.2020	
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Current financial assets	21	-	-	20	-	-
Hedging derivatives	-	1,356	-	-	217	-
Financial liabilities						
Speculative derivatives	-	-	-	-	-	-
Hedging derivatives	-	(240)	-	-	(1,496)	-

Level 1 valuation was used for non-significant securities.
Level 2 valuation, used for financial instruments measured at fair value, is based on parameters such as bunker, exchange rates and interest rates that are quoted in active or observable markets on official rate curves. The financial asset measured with Level 2 as of December 31, 2021 relates to the positive fair value of the bunker and exchange rate derivative, while the liability measured with Level 2 as of December 31, 2021 relates to the negative fair values of the interest rate derivative.

Non-financial instruments

It is noted that there are non-financial instruments measured at fair value as at December 31, 2021, represented by biological assets of the Mexican production company.

NOTE 34. Transactions with related parties

The Company and the Group have enacted a conduct procedure related to transactions with related parties, both companies and natural persons, in order to monitor and trace the necessary information regarding transactions between Group companies as well as those in which directors and executives of the Parent Company have interests, for the purpose of their control and possible authorization. The procedure identifies the subjects required to report the above information, defines what transactions should become the subject of communication, and sets the deadlines to submit the information, specifying its content. The main intra-group activities, regulated at market prices, are developed through contractual relations that specifically concerned:

- management of investments;
- regulation of financial flows through centralized treasury and intra-group loans;
- sharing of general, administrative and legal services;
- assistance related to IT services;
- trade agreements.

In addition, there is a fiscal relationship with the Parent Company Orsero, following the option exercised for the national tax consolidation regime, governed by Articles 117 et seq. of the TUIR Tax Code, for nearly all of the Italian companies, and a similar system has been activated in France by AZ France together with its French subsidiaries. Receivables and payables arising from such fiscal relationships are not interest-bearing. Transactions between the companies included in the scope of consolidation have been eliminated from the consolidated financial statements and have not been highlighted. It should be noted that during 2021 no related party transactions were implemented other than those that are part of the Group's ordinary course of business. Below is a summary of the items in the statement of financial position and income statement for transactions between the Group and related parties (other than those with respect to the consolidated subsidiaries) in 2021. Transactions with the companies shown in the table are essentially of a commercial nature and relate to specific sectors of activity, while those with natural person related parties relate to existing employment relationships or to remuneration due in their capacity as directors and statutory auditors of the Board of Directors of the Parent Company.

	Related parties as at December 31, 2021									
Thousands of euro	**Non-current receivables[4]**	**Trade receivables**	**Trade payables**	**Other current liabilities**	**Net sales**	**Other operating revenues and cost recoveries [5]**	**Other operating income /expense**	**Financial income**	**Trade expenses [5]**	**Trade expenses [6]**
Associates										
Moño Azul S.A.[2]	84	839	333	-	93	-	-	5	(662)	-
Citrumed S.A.	1,007	40	1,015	-	-	87	-	25	(1,032)	-
Bonaoro S.L.	-	160	122	-	666	-	-	4	(1,208)	(18)
Decofruit S.L.	-	7	49	-	-	-	9	-	(430)	-
Agricola Azzurra S.r.l.	-	37	1,259	-	-	37	-	-	(2,430)	-
Fruport S.A.	-	4	743	-	29	-	-	-	(3,627)	(12)
Total exposure to Associates	**1,091**	**1,086**	**3,521**	**-**	**788**	**124**	**9**	**33**	**(9,390)**	**(30)**
Related companies										
Grupo Fernández	-	-	-	-	-	-	32	-	-	(280)
Fersotrans	-	5	53	-	-	-	4	-	(1,071)	-
Risfer SL	-	-	-	-	-	-	-	-	-	-
NBI[3]	-	135	195	-	117	-	1	-	-	(697)
Business Aviation[1]	-	107	56	-	5	-	-	-	-	-
Immobiliare Ranzi	-	109	-	-	35	-	1	-	-	-
Argentina S.r.l.	-	9	-	-	2	-	1	-	-	-
Immobiliare Pacuare	-	-	-	-	-	-	-	-	-	(42)
Fif Holding S.p.A.	-	40	-	-	11	-	-	-	-	-
Related parties physical persons	-	2	-	1,534	-	-	(1,232)	-	-	(3,142)
Total exposure to related companies	**-**	**407**	**305**	**1,534**	**170**	**-**	**(1,193)**	**-**	**(1,071)**	**(4,161)**
Total associates-related	**1,091**	**1,493**	**3,826**	**1,534**	**958**	**124**	**(1,184)**	**33**	**(10,461)**	**(4,191)**
Balance	**6,243**	**113,677**	**126,854**	**20,811**	**1,069,776**	**(975,562)**	**(19)**	**352**	**(975,562)**	**(71,071)**
% of Balance	**17.47%**	**1.31%**	**3.02%**	**7.37%**	**0.09%**	**0.01%**	**-6154.10%**	**9.31%**	**1.07%**	**5.90%**

[1] Referred to the companies GF Aviation S.r.l., K-Air S.p.A..
[2] Net to bad provisions
[3] Nuova Beni Immobiliari S.r.l.
[4] Within the "Non current financial assets"
[5] Within the "Cost of goods sold"
[6] Within the "General and administrative expense"

Note that the item "Other receivables and other current assets" includes receivables from Argentina S.r.l. for Euro 8,000 thousand, fully written off.

Transactions with related parties are governed by specific contracts, the conditions of which are in line with those of the market.

It should be noted that the relationships with associated and related companies laid out in the table concern the supply of fruit and vegetables (Agricola Azzurra, Bonaoro, Citrumed, Moño Azul) or services (Fruport, Nuova Beni Immobiliari, Fersotrans, Grupo Fernandez), to mention the main ones.

The item "non-current receivables" due from associates primarily reflects the loan provided to the Tunisian subsidiary Citrumed for the development of its business (production of oranges for the French market).

As mentioned above, costs to natural person related parties relate to the remuneration of employees and directors or statutory auditors of the Board of Directors of the Parent Company, in

addition to Euro 1,232 thousand for the MBO/LTI bonus included in the item Other operating revenues/costs (non-recurring items).
For more details, refer to Annex 2 “Financial statements tables stated in accordance with Consob Resolution 15519/2006”.

NOTE 35. Share-based payments

As already noted above, the Company, in line with best market practices enacted by listed companies at domestic and international level, has adopted the “2020-2022 Long-Term Monetary Incentive Plan” which aims to stimulate the maximum alignment of Beneficiaries' interests with the pursuit of the priority objective of sustainable creation of value for shareholders in the medium-long term. In particular, it makes it possible to pursue the following objectives: 1) to reward the short- and long-term performance of the Orsero Group as well as strengthen the alignment between the interests of management and those of shareholders, directing behavior towards the sustainability of performance and the achievement of defined objectives; 2) to develop retention policies aimed at retaining key corporate resources and encouraging them to remain with the Group; 3) to develop policies to attract talented managerial and professional figures. The Plan recognizes within the remuneration structure of the beneficiaries a monetary economic incentive related to the achievement of certain performance and value creation objectives for shareholders, subject to the fulfillment of the access conditions (“Gate”) and the continuation of employment with the Orsero Group. Although the Plan does not provide for the assignment of financial instruments, but rather only the attribution of monetary incentives, it does establish that a part of these incentives shall be indexed to the yield of the Company's securities, which is why the Plan itself is subject to the rules set out in Article 114-bis of the Consolidated Law on Finance for plans that provide for the assignment of financial instruments, as applicable. For details about the Plan, please refer to the governance section of the website https://www.orserogroup.it/governance/remunerazione/.
With reference to the 2021 financial year, the incentives accrued by Top Management represent a cost of Euro 1,866 thousand divided into Euro 852 thousand for MBO (bonus component that will be paid following approval of the 2021 financial statements) and Euro 1,014 thousand for LTI (deferred bonus component, payable in two equal tranches in 2023 and 2024, subject to the condition that the beneficiaries remain in the company during the reference period, the “vesting period”, and indexed to the performance of the Orsero share price).
Taking into account the mechanism described above, the cost of Top Management incentives accrued in 2021, totaling Euro 1,753 thousand, includes:

- Euro 852 thousand for the MBO portion payable after approval of the 2021 financial statements;
- Euro 276 thousand for the portion of the 2020 LTI bonus payable in 2023;
- Euro 203 thousand for the portion of the 2020 LTI bonus payable in 2024;
- Euro 253 thousand for the portion of the 2021 LTI bonus payable in 2023;
- Euro 169 thousand for the portion of the 2021 LTI bonus payable in 2024.

Moreover, in compliance with the Plan regulations and IFRS 2, the 2021 income statement includes the share of the cost for the bonus accrued for the 2020 financial year, revalued to the maximum extent provided for by the Plan of 40% given the increase in the average Orsero share price in the second half of 2021, equal to Euro 10.08, which is more than 1.6 times higher than the average price in the second half of 2020 of Euro 6.08.

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NOTE 36. Employees

The following table shows the number of employees as at December 31, 2021 2020.

	31.12.2021	31.12.2020	Change
Distribution Sector			
Number of employees	1,437	1,398	39
Shipping Sector			
Number of employees	149	148	1
Holding & Services Sector			
Number of employees	88	85	3
Number of employees	**1,674**	**1,631**	**43**

NOTE 37. Guarantees provided, commitments and other contingent liabilities.

The guarantees provided by the Company are as follows:

Thousands of euro	31.12.2021	31.12.2020	Change
Guarantees issued in the interest of the Group	5,085	3,585	1,500
Guarantees issued to third parties	1,923	1,911	12
Total guarantees	**7,008**	**5,496**	**1,512**

Compared to the end of the previous year, guarantees increased by Euro 1,512 thousand, essentially represented by new guarantees given in favor of third-party suppliers of the Group and, for Euro 350 thousand, in favor of associated companies, while the amount guaranteed to Customs and other local authorities remained unchanged.

We are not aware of any other disputes or proceedings that may have repercussions on the Group's economic and financial position, except for those already described in this financial report.

NOTE 38. Fees due to the Directors and the Board of Statutory Auditors

The following table details the remuneration for the members of the corporate bodies of Orsero S.p.A. in 2021.

Thousands of euro	2021
Board of Directors	454
Board of Statutory Auditors	74

"Directors' fees" include remuneration from letters of appointment of Euro 300 thousand, committee remuneration of Euro 85 thousand and contributions for Euro 69 thousand.

NOTE 39. Significant events after December 31, 2021

As of the date of this Report, there have been no particularly significant events.
Insofar as it is neutral from a consolidation point of view, the merger of Moncada Frutta S.r.l. into Fruttital S.r.l. took effect on January 1, as part of the rationalization and simplification of the Group's operating structure in Italy.
In addition, as reported in the SDIR press release of January 25, a further 25,000 treasury shares were purchased, bringing the total number of shares at the date of this report to 327,514, for a total value of Euro 2,846 thousand.

With reference to the most recent evolutions of the Covid-19 pandemic, the Group's management continues to follow and monitor developments in order to reduce risks for its personnel and maintain an efficient distribution logistics chain.
More than Covid-19, however, the management's attention is now focused on the evolution of the effects linked to rising prices, in particular energy prices, and the possible repercussions on the logistics chain as well as on the population's propensity to consume, originating not only from the post-pandemic economic recovery but also, and to an extent difficult to predict, from the serious conflict in Ukraine.

ANNEX 1. Information in accordance with Art. 149-duodecies of the Consob Issuers' Regulation

The table below, prepared in accordance with Art. 149-duodecies of the Consob Issuers' Regulation, shows the fees for 2021 for auditing and other non-auditing services provided by the independent auditing firm appointed or by companies belonging to its network.

Tyoe of services - Thousands of euro	Company that provided the service	Addressee	Fees for 2021
Audit (*)			
	Kpmg S.p.A.	Parent company	121
		Italian subsidiaries	134
	Kpmg Auditores S.L.	Foreign subsidiaries	48
Other services			
Agreed upon procedures	Kpmg S.p.A.	Parent company	3
Tax declaration	Kpmg S.p.A.	Parent company	3
Tax declaration	Kpmg S.p.A.	Italian subsidiaries	20

(*) Includes the audit at December 31, 2021 and the limited review of the interim report as of June 30

ANNEX 2. Financial statements tables stated in accordance with Consob Resolution 15519/2006

Consolidated statement of financial position 2021 and 2020

Thousands of euro	31.12.2021	of which related parties			
		Associates	Related	Total	%
ASSETS					
Goodwill	48,245	-	-	-	-
Intangible assets other than Goodwill	9,022	-	-	-	-
Property, plant and equipment	164,407	-	-	-	-
Investment accounted for using the equity method	14,753	14,753	-	14,753	100%
Non-current financial assets	6,243	1,407	-	1,407	23%
Deferred tax assets	8,492	-	-	-	-
NON-CURRENT ASSETS	**251,161**	**16,160**	**-**	**16,160**	**6%**
Inventories	43,333	-	-	-	-
Trade receivables	113,677	1,086	407	1,493	1%
Current tax assets	11,254	-	-	-	-
Other receivables and other current assets	14,182	-	-	-	-
Cash and cash equivalent	55,043	-	-	-	-
CURRENT ASSETS	**237,489**	**1,086**	**407**	**1,493**	**1%**
Non-current assets held for sale	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**488,650**	**17,246**	**407**	**17,653**	**4%**
Share Capital	69,163	-	-	-	-
Other Reserves and Retained Earnings	87,733	-	-	-	-
Profit/loss attributable to owners of Parent	18,290	-	-	-	-
Equity attributable to Owners of Parent	**175,186**	**-**	**-**	**-**	**-**
Non-controlling interests	**668**	**-**	**-**	**-**	**-**
EQUITY	**175,854**	**-**	**-**	**-**	**-**
LIABILITIES					
Financial liabilities	98,248	-	-	-	-
Other non current liabilities	1,057	-	-	-	-
Deferred tax liabilities	4,081	-	-	-	-
Provisions	5,326	-	-	-	-
Employees benefits liabilities	9,761	-	-	-	-
NON-CURRENT LIABILITIES	**118,473**	**-**	**-**	**-**	**-**
Financial liabilities	42,518	-	-	-	-
Trade payables	126,854	3,521	305	3,826	3%
Current tax liabilities	4,142	-	-	-	-
Other current liabilities	20,811	-	1,534	1,534	7%
CURRENT LIABILITIES	**194,324**	**3,521**	**1,839**	**5,360**	**3%**
Liabilities directly associated with non-current assets held for sale	**-**	**-**	**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**488,650**	**3,521**	**1,839**	**5,360**	**1%**

Thousands of euro	31.12.2020	of which related parties Associates	Related	Total	%
ASSETS					
Goodwill	48,426	-	-	-	-
Intangible assets other than Goodwill	7,263	-	-	-	-
Property, plant and equipment	166,582	-	-	-	-
Investment accounted for using the equity method	6,175	6,175	-	6,175	100%
Non-current financial assets	5,359	1,463	-	1,463	27%
Deferred tax assets	8,999	-	-	-	-
NON-CURRENT ASSETS	**242,804**	**7,638**	**-**	**7,638**	**3%**
Inventories	35,331	-	-	-	-
Trade receivables	115,479	1,892	290	2,182	2%
Current tax assets	11,254	-	-	-	-
Other receivables and other current assets	14,182	-	-	-	-
Cash and cash equivalents	55,043	-	-	-	-
CURRENT ASSETS	**231,289**	**1,892**	**290**	**2,182**	**1%**
Non-current assets held for sale	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**474,094**	**9,530**	**290**	**9,820**	**2%**
Share Capital	69,163	-	-	-	-
Other Reserves and Retained Earnings	87,733	-	-	-	-
Profit/loss attributable to Owners of Parent	18,290	-	-	-	-
Equity attributable to Owners of Parent	**175,186**	**-**	**-**	**-**	**-**
Non-controlling interests	**668**	**-**	**-**	**-**	**-**
EQUITY	**175,854**	**-**	**-**	**-**	**-**
LIABILITIES					
Financial liabilities	98,248	-	-	-	-
Other non-current liabilities	1,057	-	-	-	-
Deferred tax liabilities	4,081	-	-	-	-
Provisions	5,326	-	-	-	-
Employees benefits liabilities	9,761	-	-	-	-
NON-CURRENT LIABILITIES	**118,473**	**-**	**-**	**-**	**-**
Financial liabilities	42,518	-	-	-	-
Trade payables	126,854	1,078	130	1,208	1%
Current tax liabilities	4,142	-	-	-	-
Other current liabilities	20,811	-	-	-	-
CURRENT LIABILITIES	**194,324**	**1,078**	**130**	**1,208**	**1%**
Liabilities directly associated with non-current assets held for sale	**-**	**-**	**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**488,650**	**1,078**	**130**	**1,208**	-

Consolidated income statement and Consolidated statement of comprehensive income 2021 and 2020

Thousands of euro	Year 2021	of which related parties			
		Associates	Related	Total	%
Net sales	1,069,776	788	170	**958**	0%
Cost of sales	(975,562)	(9,267)	(1,071)	**(10,337)**	1%
Gross profit	**94,214**	**-**	**-**	**-**	**-**
General and administrative expense	(71,071)	(30)	(4,161)	**(4,191)**	6%
Other operating income/expense	(19)	9	(1,193)	**(1,184)**	6155%
- of which non-recurring operating income	*1,909*	-	-	**-**	-
- of which non-recurring operating expense	*(4,310)*	-	(1,232)	**(1,232)**	29%
Operating result	**23,125**	**-**	**-**	**-**	**-**
Financial income	352	33	-	**33**	9%
Financial expense and exchange rate differences	(3,665)	-	-	-	-
Other investment income/expense	4	-	-	-	-
Share of profit/loss of associates accounted for using equity method	1,019	-	-	-	-
Profit/loss before tax	**20,835**	**-**	**-**	**-**	**-**
Income tax expense	(2,327)	-	-	-	-
Profit/loss from continuing operations	**18,508**	**-**	**-**	**-**	**-**
Profit/loss from discontinued operations	-	-	-	-	-
Profit/loss	**18,508**	**-**	**-**	**-**	**-**
Profit/loss attributable to non-controlling interests	**219**	-	-	-	-
Profit/loss attributable to Owners of Parent	**18,290**	**-**	**-**	**-**	**-**

Thousands of euro	Year 2021	of which related parties			
		Associates	Related	Total	%
Profit/loss	**18,508**	**-**	**-**	**-**	**-**
Other comprehensive income that will not be reclassified to profit/loss, before tax	77	-	-	-	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	(30)	-	-	-	-
Other comprehensive income that will be reclassified to profit/loss, before tax	2,556	-	-	-	-
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	(496)	-	-	-	-
Comprehensive income	**20,615**	**-**	**-**	**-**	**-**
Comprehensive income attributable to non-controlling interests	**219**	-	-	-	-
Comprehensive income attributable to Owners of Parent	**20,397**	**-**	**-**	**-**	**-**

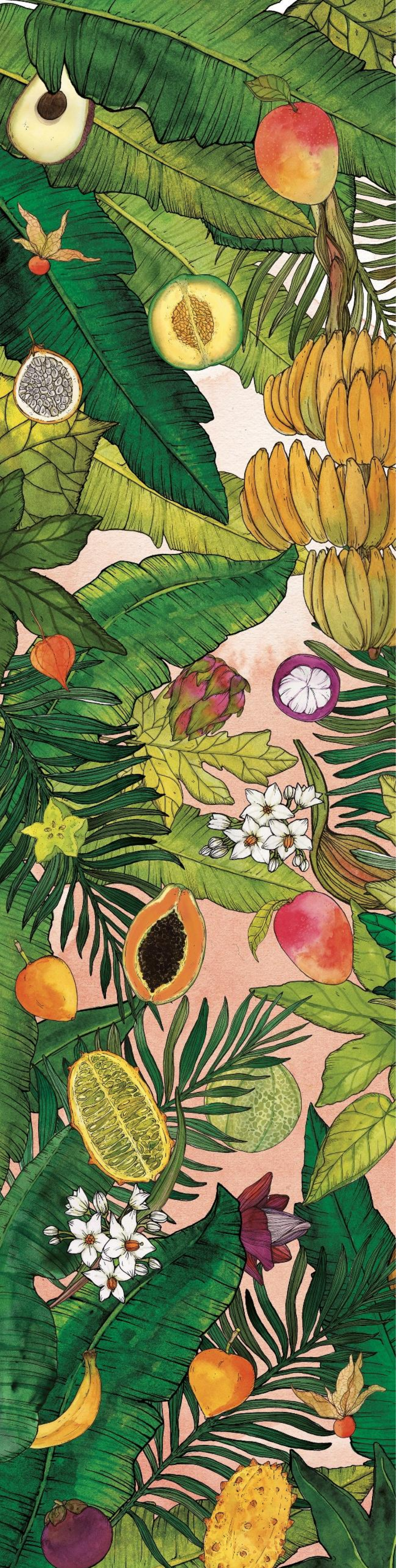
Thousands of euro	Year 2020	of which related parties			
		Associates	Related	Total	%
Net sales	1,041,535	4,731	159	**4,890**	0%
Cost of sales	(953,725)	(8,758)	(82)	**(8,840)**	1%
Gross profit	**87,810**	**-**	**-**	**-**	**-**
General and administrative expense	(67,650)	(107)	(390)	**(496)**	1%
Other operating income/expense	(1,397)	46	38	**84**	-6%
- of which non-recurring operating income	*35*	-	-	-	-
- of which non-recurring operating expense	*(3,687)*	-	-	-	-
Operating result	**18,763**	**-**	**-**	**-**	**-**
Financial income	252	34	-	**34**	14%
Financial expense and exchange rate differences	(3,943)	-	-	-	-
Other investment income/expense	813	-	-	-	-
Share of profit/loss of associates accounted for using equity method	795	-	-	-	-
Profit/loss before tax	**16,679**	**-**	**-**	**-**	**-**
Income tax expense	(4,411)	-	-	-	-
Profit/loss from continuing operations	**12,269**	**-**	**-**	**-**	**-**
Profit/loss from discontinued operations	-	-	-	-	-
Profit/loss	**12,269**	**-**	**-**	**-**	**-**
Profit/loss attributable to non-controlling interests	**52**	-	-	-	-
Profit/loss attributable to Owners of Parent	**12,217**	**-**	**-**	**-**	**-**

Thousands of euro	Year 2020	of which related parties			
		Associates	Related	Total	%
Profit/loss	**12,269**	**-**	**-**	**-**	**-**
Other comprehensive income that will not be reclassified to profit/loss, before tax	(535)	-	-	-	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	139	-	-	-	-
Other comprehensive income that will be reclassified to profit/loss, before tax	(2,290)	-	-	-	-
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	232	-	-	-	-
Comprehensive income	**9,814**	**-**	**-**	**-**	**-**
Comprehensive income attributable to non-controlling interests	**52**	-	-	-	-
Comprehensive income attributable to Owners of Parent	**180**	-	-	-	-

Consolidated cash flow statement 2021 and 2020

Thousands of euro	Year 2021	of which related parties Associates	Related	Total
A. Cash flows from operating activities (indirect method)				
Profit/loss	**18,508**			
Adjustments for income tax expense	2,327	-	-	**-**
Adjustments for interest income/expense	3,301	(33)	-	**(33)**
Adjustments for provisions	2,408	-	-	**-**
Adjustments for depreciation/amortisation expense and impairment loss	24,994	-	-	**-**
Change in inventories	(8,002)	-	-	**-**
Change in trade receivables	1,473	806	(117)	**689**
Change in trade payables	13,942	2,443	175	**2,618**
Change in other receivables/assets and in other liabilities	3,491	-	-	**-**
Interest received/(paid)	(3,352)	8	-	**8**
(Income taxes paid)	(4,007)	-	-	**-**
Cash flow from operating activities (A)	**55,083**			
B. Cash flows from investing activities				
Purchase of property, plant and equipment	(28,546)	-	(110)	**(110)**
Proceeds from sales of property, plant and equipment	6,716	-	-	**-**
Purchase of intangible assets	(2,678)	-	-	**-**
Proceeds from sales of intangible assets	110	-	-	**-**
Purchase of interests in investments accounted for using equity method	(8,941)	(8,941)	-	**(8,941)**
Proceeds from sales of investments accounted for using equity method	362	362	-	**362**
Purchase of other non-current assets	(1,159)	-	-	**-**
Proceeds from sales of other non-current assets	784	57	-	**57**
(Acquisitions)/disposal of investments in controlled companies, net of cash	-	-	-	**-**
Cash Flow from investing activities (B)	**(33,351)**			
C. Cash Flow from financing activities				
Increase/decrease of financial liabilities	(4,225)	-	-	**-**
Drawdown of new long-term loans	27,348	-	-	**-**
Pay back of long-term loans	(27,534)	-	-	**-**
Capital increase and other changes in increase/decrease	2,459	-	-	**-**
Disposal/purchase of treasury shares	(1,631)	-	-	**-**
Dividends paid	(3,594)	-	-	**-**
Cash Flow from financing activities (C)	**(7,177)**			
Increase/decrease in cash and cash equivalents (A ± B ± C)	**14,555**			
Cash and cash equivalents at 1° January 21-20	**40,489**			
Cash and Cash equivalents at 31 December 21-20	**55,043**			

Thousands of euro	Year 2020	of which related parties Associates	Related	Total
A. Cash flows from operating activities (indirect method)				
Profit/loss	**12,269**			
Adjustments for income tax expense	4,411	-	-	**-**
Adjustments for interest income/expense	3,782	(34)	-	**(34)**
Adjustments for provisions	1,809	-	-	**-**
Adjustments for depreciation/amortisation expense and impairment loss	24,180	-	-	**-**
Change in inventories	1,360	-	-	**-**
Change in trade receivables	8,579	266	183	**449**
Change in trade payables	(17,384)	251	(805)	**(554)**
Change in other receivables/assets and in other liabilities	5,873	-	-	**-**
Interest received/(paid)	(3,386)	10	-	**10**
(Income taxes paid)	(3,501)	-	-	**-**
Cash flow from operating activities (A)	**37,993**			
B. Cash flows from investing activities				
Purchase of property, plant and equipment	(36,739)	-	(17,138)	**(17,138)**
Proceeds from sales of property, plant and equipment	29,241	-	27,339	**27,339**
Purchase of intangible assets	(4,804)	-	-	**-**
Proceeds from sales of intangible assets	-	-	-	**-**
Purchase of interests in investments accounted for using equity method	(795)	(795)	-	**(795)**
Proceeds from sales of investments accounted for using equity method	1,173	1,173	-	**1,173**
Purchase of other non-current assets	-	-	-	**-**
Proceeds from sales of other non-current assets	1,141	131	-	**131**
(Acquisitions)/disposal of investments in controlled companies, net of cash	(198)	-	-	**-**
Cash Flow from investing activities (B)	**(10,981)**			
C. Cash Flow from financing activities				
Increase/decrease of financial liabilities	(10,666)	-	-	**-**
Drawdown of new long-term loans	25,777	-	-	**-**
Pay back of long-term loans	(55,108)	-	-	**-**
Capital increase and other changes in increase/decrease	(2,237)	-	-	**-**
Disposal/purchase of treasury shares	(851)	-	-	**-**
Dividends paid	-	-	-	**-**
Cash Flow from financing activities (C)	**(43,086)**			
Increase/decrease in cash and cash equivalents (A ± B ± C)	**(16,074)**			
Cash and cash equivalents at 1° January 20-19	**56,562**			
Cash and Cash equivalents at 31 December 20-19	**40,489**			



Independent Auditor’s Report

KPMG

(Translation from the Italian original which remains the definitive version)

Orsero Group

Consolidated financial statements as at and for the year ended 31 December 2021

(with independent auditors' report thereon)

KPMG S.p.A.

29 March 2022

KPMG

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(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Orsero S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Orsero Group (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated income statement and the statements of comprehensive income, the consolidated changes in equity and the consolidated cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Orsero Group as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Orsero S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. 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 the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of goodwill

Notes to the consolidated financial statements: section "Valuation criteria" and note 1 - Goodwill

Key audit matter	Audit procedures addressing the key audit matter
The Goodwill included in the consolidated financial statements at 31 December 2021 amounts to a total of €48.2 million. Goodwill is allocated to the cash-generating units ("CGU") of the Distribution sector by geographical area. In particular, goodwill is allocated to the CGU Italy for €26.1 million, the CGU France for €9.5 million, the CGU Spain for €11.2 million and the CGU Portugal for €1.4 million. In line with the procedure approved by the Orsero S.p.A.'s board of directors on 9 March 2022, the goodwill is tested for impairment at least annually and whenever there are triggering events, by comparing the carrying amounts of each CGU, including goodwill, to the related recoverable amounts. The recoverable amount is estimated based on the value in use, calculated using the discounted cash flow model by discounting the individual CGU's expected cash flows over the three-year period 2022-2024. The expected operating cash flows were estimated on the basis of the 2022 budget, approved by the Board of Directors on 1 February 2022. The expected operating cash flows for the years 2023 and 2024 and for the terminal value have been determined on the basis of the operating result of year 2022. Impairment testing is complex and entails a high level of judgement, especially in relation to: — the expected operating cash flows, calculated by taking into account the general economic performance and that of the Group's sector, the actual cash flows for recent years and the projected growth rates.	Our audit procedures, which also involved our own specialists, included: — updating our understanding of the process adopted to prepare the impairment tests and the forecasts set out in the update to the 2022-2024 plan; — checking any discrepancies between the previous year forecast and actual figures, in order to understand the accuracy of the estimation process; — analysing the reasonableness of i) the key assumptions used by the directors to identify the CGU, the criteria for the allocation of goodwill and to determine the related operating cash flows and ii) the valuation models adopted; — checking the consistency of the expected cash flows used for impairment testing with those used for the forecasts and analysing the reasonableness of any discrepancies; — checking the sensitivity analysis presented in the notes to the consolidated financial statements in relation to the key assumptions used for impairment testing; — assessing the appropriateness of the disclosures provided in the notes to the consolidated financial statements about goodwill and related impairment tests.

Key audit matter	Audit procedures addressing the key audit matter
— the financial parameters used to calculate the discount rate. For the above reasons and due to the materiality of the relevant caption, we believe that the recoverability of the carrying amounts of goodwill is a key audit matter.	

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian 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 Group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

E-MARKET SDIR CERTIFIED

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

— conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

— evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

— obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate 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 determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 24 April 2019, the shareholders of Orsero S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2019 to 31 December 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

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

The directors of Orsero S.p.A. are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with the Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements have been prepared in the XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The directors of Orsero S.p.A. are responsible for the preparation of the directors' report and the report on corporate governance and ownership at 31 December 2021 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership indicated by article 123-bis.4 of Legislative decree no. 58/98 with the Group's consolidated financial statements at 31 December 2021 and their compliance with the applicable law and to state whether we have identified material misstatements.

Orsero Group
Independent auditors' report
31 December 2021

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership referred to above are consistent with the Group's consolidated financial statements at 31 December 2021 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Orsero S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, this statement is subject of a separate attestation issued by other auditor.

Genoa, 29 March 2022

KPMG S.p.A.

(signed on the original)

Matteo Pastore
Director of Audit

Financial Statements as of December 31, 2021

Parent Company Financial Statements

Statement of Financial Position [1][2]

Euro	NOTES	31.12.2021	31.12.2020
ASSETS			
Intangible assets other than Goodwill	1	142,763	151,226
Property, plant and equipment	2	4,594,080	2,783,100
Equity investments	3	167,818,477	160,718,955
Non-current financial assets	4	35,333	36,708
Deferred tax assets	5	1,227,644	1,327,302
NON-CURRENT ASSETS		**173,818,297**	**165,017,290**
Receivables	6	40,200,367	49,105,512
Current tax assets	7	1,258,526	924,009
Other receivables and other current assets	8	342,356	374,131
Cash and cash equivalents	9	33,497,563	21,302,294
CURRENT ASSETS		**75,298,812**	**71,705,946**
Non-current assets held for sale		**-**	**-**
TOTAL ASSETS		**249,117,109**	**236,723,235**
Share Capital		69,163,340	69,163,340
Other Reserves and Retained Earnings		73,329,175	73,415,206
Profit/loss		7,010,854	5,012,498
EQUITY	**10**	**149,503,369**	**147,591,044**
LIABILITIES			
Financial liabilities	11	57,595,890	60,029,994
Provisions	12	123,171	520,000
Employees benefits liabilities	13	2,305,906	2,373,271
NON-CURRENT LIABILITIES		**60,024,967**	**62,923,265**
Financial liabilities	11	11,087,976	11,175,749
Payables	14	24,781,288	12,223,457
Current tax liabilities	15	235,398	205,734
Other current liabilities	16	3,484,111	2,603,986
CURRENT LIABILITIES		**39,588,773**	**26,208,926**
Liabilities directly associated with non-current assets held for sale		**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**249,117,109**	**236,723,235**

[1] The notes commenting on the individual items are an integral part of these Separate Financial Statements.
[2] In accordance with Consob Resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Separate Financial Statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

Income Statement [1][2]

Euro	NOTES	Year 2021	Year 2020
Net sales	17	2,129,386	1,927,515
Cost of sales			-
Gross profit		**2,129,386**	**1,927,515**
General and administrative expense	18	(10,532,005)	(9,026,030)
Other operating income/expense	19	(1,670,449)	(1,085,615)
Operating result		**(10,073,068)**	**(8,184,130)**
Financial income	20	221,244	188,712
Financial expense and exchange rate differences	20	(1,939,401)	(2,182,537)
Other investment income/expense	21	16,936,144	13,052,547
Profit/loss before tax		**5,144,919**	**2,874,592**
Income tax expense	22	1,865,934	2,137,906
Profit/loss from continuing operations		**7,010,854**	**5,012,498**
Profit/loss from discontinued operations		-	-
Profit/loss		**7,010,854**	**5,012,498**

Statement of comprehensive income[1][2]

Euro	NOTES	Year 2021	Year 2020
Profit/loss		**7,010,854**	**5,012,498**
Other comprehensive income that will not be reclassified to profit/loss, before tax	13	(44,841)	(410,498)
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	22	-	98,520
Other comprehensive income that will be reclassified to profit/loss, before tax	11	208,153	39,319
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	22	(49,957)	(9,437)
Comprehensive income		**7,124,209**	**4,730,402**

[1] The notes commenting on the individual items are an integral part of these Separate Financial Statements.

[2] In accordance with Consob Resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Separate Financial Statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

Statement of cash flows[1][2]

Euro	NOTES	Year 2021	Year 2020
A. Cash flows from operating activities (indirect method)			
Profit/loss		**7,010,854**	**5,012,498**
Adjustments for income tax expense	22	(1,865,934)	(2,137,906)
Adjustments for interest income/expense	20	1,939,401	1,993,825
Adjustments for dividends	21	(16,936,144)	(13,052,547)
Adjustments for depreciation and amortisation expense and impairment loss	18	567,322	504,201
Change in receivables	6	8,905,145	(11,249,357)
Change in payables	14	12,557,831	2,339,178
Change in other receivables/asstes and in other liabilities	7-8-12-13-15-16	1,795,125	5,357,334
Interest received/(paid)	20	(1,725,739)	(1,741,830)
(Income taxes paid)	22	-	-
Dividends received	21	16,936,144	13,052,547
Cash flow from operating activities (A)		**29,184,005**	**77,943**
B. Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2,356,152)	(556,427)
Proceeds from sales of property, plant and equipment	2	44,322	71,870
Purchase of intangible assets	1	(58,010)	(27,252)
Proceeds from sales of intangible assets	1	-	-
Purchase of interests in equity investments	3	(7,322,058)	(1,458,010)
Proceeds from sales of equity investments	3	222,536	6,432,881
Purchase of other non current assets	4-5	-	-
Proceeds from sales of other non current assets	4-5	101,032	667,763
(Acquisitions)/disposal of investments in controlled companies, net of cash	3-11	-	-
Cash Flow from investing activities (B)		**(9,368,330)**	**5,130,825**
C. Cash Flow from financing activities			
Increase/decrease of financial liabilities	11	(2,521,877)	(292,938)
Drawdown of new long-term loans	11	-	736,625
Pay back of long-term loans	11	-	(10,933,891)
Capital increase and other changes in increase/decrease	10	37,981	706,827
Disposal/purchase of treasury shares	10	(1,630,513)	(851,343)
Dividends paid	10	(3,505,997)	-
Cash Flow from financing activities (C)		**(7,620,406)**	**(10,634,720)**
Increase/decrease in cash and cash equivalents (A ± B ± C)		**12,195,269**	**(5,425,952)**
Cash and cash equivalents at 1° January 21-20	**9**	**21,302,294**	**26,728,246**
Cash and Cash equivalents at 31 December 21-20	**9**	**33,497,563**	**21,302,294**

[1] The notes commenting on the individual items are an integral part of these Separate Financial Statements.
[2] In accordance with Consob Resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Separate Financial Statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

Statement of Changes in Shareholders' Equity [12]

Euro - NOTES 10	Share Capital*	Treasury shares*	Reserve of shareholding acquisition costs*	Legal reserve	Share premium reserve	Reserve of cash flow hedges	Reserve of remeasurements of defined benefit plans	Reserve of share-based payments	Other reserves	Retained earnings	Profit/Loss	Total Equity
December 31, 2019	**69,163,340**	**(7,426,066)**	**(153,461)**	**321,367**	**80,555,910**	**(361,788)**	**(299,792)**	**4,470,428**	**(5,043,072)**	**-**	**1,496,197**	**142,723,063**
Allocation of the profit/loss	-	-	-	74,810	-	-	-	-	-	1,421,387	(1,496,197)	**-**
Issued of equity	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Purchase of treasury shares	-	(851,343)	-	-	-	-	-	-	-	-	**-**	**(851,343)**
Other comprehensive income net of tax, gains/losses on remeasurements of defined benefit plans	-	-	-	-	-	-	(311,978)	-	-	-	**-**	**(311,978)**
Other comprehensive income net of tax, cash flow hedges interest rates	-	-	-	-	-	29,883	-	-	-	-	**-**	**29,883**
Dividends paid	-	2,456,330	-	-	(2,456,330)	-	-	-	-	-	**-**	**-**
Increse/decrease through share based payment transactions	-	3,191,357	-	-	-	-	-	(4,470,428)	-	1,279,071	**-**	**-**
Change of consolidation scope	-	1,687,820	-	-	(661,864)	-	-	-	-	-	-	**1,025,956**
Other changes	-	-		-	-	-	-	-	(37,034)	-	**-**	**(37,034)**
Profit/loss	-	-	-	-	-		-	-	-	-	5,012,498	**5,012,498**
December 31, 2020	**69,163,340**	**(941,902)**	**(153,461)**	**396,177**	**77,437,716**	**(331,905)**	**(611,770)**	**-**	**(5,080,106)**	**2,700,458**	**5,012,498**	**147,591,044**

Euro - NOTES 10	Share Capital**	Treasury shares**	Reserve of shareholding acquisition costs**	Legal reserve	Share premium reserve	Reserve of cash flow hedges	Reserve of remeasurements of defined benefit plans	Reserve of share-based payments	Other reserves	Retained earnings	Profit/Loss	Total Equity
December 31, 2020	**69,163,340**	**(941,902)**	**(153,461)**	**396,177**	**77,437,716**	**(331,905)**	**(611,770)**	**-**	**(5,080,106)**	**2,700,458-**	**5,012,498**	**147,591,044**
Allocation of the profit/loss	-	-	-	250,700	-	-	-	-	1,255,801		(1,506,501)	**-**
Issued of equity	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Purchase of treasury shares	-	(1,630,513)	-	-	-	-	-	-	-	-	**-**	**(1,630,513)**
Other comprehensive income net of tax, gains/losses on remeasurements of defined benefit plans	-	-	-	-	-	-	(44,841)	-	-	-	**-**	**(44,841)**
Other comprehensive income net of tax, cash flow hedges interest rates	-	-	-	-	-	158,197	-	-	-	-	-	**158,197**
Dividends paid	-	-	-	-		-	-	-	-	-	(3,505,997)	**(3,505,997)**
Increse/decrease through share based payment transactions	-	-	-	-	-	-	-	-	-	-	-	**-**
Change of consolidation scope	-	-	-	-	-	-	-	-	-	-	-	**-**
Other changes	-	60	-	-	-	-	-	-	(3,823)	(71,611)	**-**	**(75,374)**
Profit/loss	-	-	-	-	-	-	-	-	-	-	7,010,854	**7,010,854**
December 31, 2021	**69,163,340**	**(2,572,355)**	**(153,461)**	**646,877**	**77,437,716**	**(173,708)**	**(656,611)**	-	**(3,828,128)**	**2,628,847**	**7,010,854**	**149,503,369**

(1) The notes commenting on the individual items are an integral part of these Financial Statements

[2] In accordance with Consob resolution no.15519 of July 27, 2006, the effects of related party transactions and the effects of non recurring income and expenses, are given in Parent Financial Statement and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

(*) Espression of the share capital according to IAS 32, net of treasury shares for €/000942 and equity investments'costs for €/000 153

(**) Espression of the share capital according to IAS 32, net of treasury shares for €/000 2.572 and equity investments'costs for €/000 153

Certification of the Separate Financial Statements pursuant to Art. 81-ter of Consob Regulation no. 11971 of May 14, 1999, as subsequently amended and supplemented

1. The undersigned Giacomo Ricca, Corporate Accounting Reporting Officer of Orsero S.p.A., taking into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998, hereby certifies:
   - the adequacy, considering the Company's characteristics, and
   - the effective application of administrative and accounting procedures for the preparation of the separate financial statements during the period closed as at December 31, 2021.
2. No significant issues arose.
3. It is further certified that:

3.1 the separate financial statements:

a) are prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002;

b) coincide with the underlying books and accounting records;

c) are suitable to give a true and fair view of the issuer's economic, equity and financial position.

3.2 The Report on Operations, prepared in a single format for both the separate and consolidated financial statements, contains a reliable analysis of the business outlook and management result, the financial position of the issuer and a description of the main risks and uncertainties it is subject to.

Milan, March 15, 2022

Giacomo Ricca

Corporate Accounting Reporting Officer

Notes to the Financial Statements as at December 31, 2021

Form and content of the Separate Financial Statements and other general information

Nature of the Company

Orsero S.p.A. (the "Parent Company" or the "Company") is a company organized under the laws of the Republic of Italy. The company represents the Parent Company of Orsero Group, whose activities have been extensively described in the pages above with regard to the single Report on Operations. The registered office of the Parent Company is Corso Venezia 37, Milan, Italy.
As at December 31, 2021, the Company's share capital totals Euro 69,163,340.00, divided up into 17,682,500 ordinary shares with no nominal value.
Since December 23, 2019, Orsero's ordinary shares have been listed on the telematic stock market (MTA), STAR segment of the Milan Stock Exchange.

Statement of compliance and preparation criteria

These Separate Financial Statements as at December 31, 2021, prepared on the basis that the business continues to operate as a going concern, were prepared in accordance with Art. 4, paragraph 1 of Italian Legislative Decree no. 38 of 2/28/2005 and in compliance with the International Financial Reporting Standards (IFRS), the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), endorsed by the European Commission as per the procedure envisaged by Regulation (EC) 1606/2002, issued by the European Parliament and Council in July 2002 and in force as at the reporting date, as well as with the previous International Accounting Standards (IAS). Hereinafter in the Separate Financial Statements, to simplify matters, all these standards and interpretations will together be defined as "IFRS". In preparing this document, consideration was given to the provisions of Art. 9 of Italian Legislative Decree no. 38 of 2/28/2005, the provisions of the Italian Civil Code, Consob Resolutions no. 15519 ("Provisions on the financial statements tables to be issued in implementation of Art. 9, paragraph 3 of Italian Legislative Decree no. 38 of 2/28/2005") and no. 15520 ("Amendments and supplements to the regulation setting out provisions implementing Italian Legislative Decree no. 58/1998"), both dated July 27, 2006, and those of Consob communication no. DEM/6064293 of July 28, 2006 ("Corporate disclosure of listed issuers and issuers with financial instruments disseminated amongst the public pursuant to Art. 116 of the TUF") and Art. 78 of the Issuers' Regulation. It is specified that with reference to Consob Resolution no. 15519 of July 27, 2006 on the financial statements tables, specific additional tables have been added representing the statement of financial position, the income statement, the statement of comprehensive income and the statement of cash flows, highlighting significant related party transactions and the effects of non-recurring income and expense in order to avoid compromising the overall legibility of the financial statements tables.
The Separate Financial Statements are prepared in euros, which is the functional currency of the economy in which Orsero operates; the amounts given in the accounting statements are in units of euros, whilst the data given in the notes, is in thousands of euros. These Separate Financial Statements are compared with last year's separate financial statements, which were prepared applying the same criteria except for that described in the paragraph entitled "Accounting standards, amendments and IFRS interpretations applied starting January 1, 2021" in the notes to the Consolidated Financial Statements. It should be noted, in fact, that the accounting standards applied are in line with those adopted in preparing the separate statement of financial position at December 31, 2020, as well as the 2020 income statement, in accordance with IFRS.
The Separate Financial Statements have been drawn up in accordance with the general historical cost principle, with the exception of financial assets and derivative instruments, which are measured at fair value. Please also note that the Directors have prepared the Separate Financial

Statements assuming that the business will continue operating as a going concern, in accordance with paragraphs 25 and 26 of the standard IAS 1; this is possible due to the strong competitive position of the Group and the profitability and solidity of the equity and financial structure achieved. The IFRS were applied on a consistent basis with the indications provided in the “Framework for the preparation and presentation of financial statements” and no critical issues which required derogations in accordance with paragraph 19 of IAS 1, arose. Assets and liabilities are stated separately, without netting.
On March 15, 2022, the Board of Directors of Orsero S.p.A. approved the draft separate financial statements and the consolidated financial statements of Orsero S.p.A. and authorized their publication. The Separate Financial Statements as at December 31, 2021 were audited by KPMG S.p.A.

Content and form of the Separate Financial Statements
The Separate Financial Statements consist of the statement of financial position, income statement, comprehensive income statement, cash flow statement, statement of changes in equity and these Notes, applying the provisions of IAS 1 “Presentation of the financial statements”.

The Company has adopted the following financial statements:

- statement of financial position, which classifies assets and liabilities as current and non-current;
- income statement, in which costs are presented using the “allocation” classification, a structure considered more representative than presentation by nature;
- comprehensive income statement, which reports revenue and cost items that are not recognized in profit/loss for the year as required or permitted by IFRS;
- cash flow statement, presented using the “indirect method”;
- statement of changes in equity reporting all changes during the year under review.

The choice of these statements allows the Parent Company’s equity, economic and financial situation to be represented in a truthful, correct, reliable and more relevant manner. The form chosen is, in fact, consistent with internal management reporting.
Please also remember that with its Resolution no. 15519 of July 27, 2006, Consob asked that the accounts given in the financial statements should highlight, if of significant value, any additional sub-items to those already specifically required by IAS 1 and the other international accounting standards, so as to highlight separately from the items of reference, the amount of all related party transactions and positions, as well as, insofar as regards the income statement, the positive or negative items of income deriving from non-recurring or unusual transactions. This information, as requested, has been included in Annex 2 and Note 25 and in all notes to the Separate Financial Statements.

Management and coordination
The Company does not fulfill the requirements for being subject to management and coordination activities by the company FIF Holding S.p.A. pursuant to Art. 2497 bis of the Italian Civil Code. For more information, please refer to the directors’ Report on Operations.

Valuation criteria

Below are the main criteria adopted for the preparation of the financial statements at December 31, 2021. When, in relation to specific events or as a result of the development of accounting practice, a change is made in the accounting standards applied in a year, the Notes are intended to provide all the appropriate explanations to allow comparison with the previous year, if necessary by providing for the correction/re-alignment of the figures of the related financial statements. It should be noted that in preparing the financial statements for the year ended December 31, 2021, the same principles and measurement criteria used to prepare the financial statements as of December 31, 2020 were applied.

Intangible assets other than goodwill

Intangible assets other than goodwill are assets that are not physical, identifiable, controlled and that can produce future economic benefits.
Intangible assets other than goodwill are recognized as assets in accordance with IAS 38 - Intangible Assets, when they are identifiable, it is likely that their use will generate future economic benefits and the cost can be reliably determined. These assets are stated at purchase or production cost, inclusive of all ancillary expenses incurred, and amortized on a straight-line basis over their useful lives. Intangible assets with definite useful life are amortized systematically from the time the asset is available for use for the period of their expected usefulness. The useful life is reviewed annually and any changes, where necessary, are made with prospective application. The recoverability of their value is verified according to the criteria set forth in IAS 36. Costs incurred subsequently are capitalized only when the expected future economic benefits which are attributable to the asset they refer to are increased. All other subsequent costs are allocated to profit and loss during the year in which they are incurred.
Patents and intellectual property rights are mainly related to application software licenses, which are amortized on a straight-line basis over their contractual useful life.
Concessions, licenses and trademarks essentially regard expenses for the use of software programs under license, amortized on average over a period of three years.
Assets in progress and advances include the amount of investments in assets not yet in service at year-end and therefore not subject to amortization, but subject to impairment testing, as required by IAS 36.
Other intangible assets purchased or produced internally are recognized as assets in accordance with IAS 38 (Intangible Assets), when it is likely that their use will generate future economic benefits and when their cost can be reliably determined.
Other intangible assets recognized as a result of the acquisition of a company are recognized separately from goodwill if their current value can be determined reliably.

Property, plant and equipment

Property, plant and equipment are assets that are physical, identifiable, controlled by the company, and that can produce future economic benefits. Tangible assets purchased or produced internally are recognized as assets in accordance with IAS 16 - Property, Plant and Equipment, when it is likely that their use will generate future economic benefits and when their cost can be reliably determined. They are recorded at historical cost of purchase, production or transfer, including the ancillary expenses required to make the asset available for use deducted from the cumulative accumulated depreciation and any write-downs made to adjust their value to the expected lower future utility. Subsequent costs are capitalized only when it is probable that the related future economic benefits will flow to the company. Depreciation is calculated on the basis of economic/technical rates related to the expected useful life of the assets, the most representative of which are:

Category	*Useful life*
Land	Not depreciated
Buildings	20 – 33 years
Plants	7 – 10 years
Vehicles	4 – 5 years
Furniture and fixtures	8-9 years
Electronic equipment	5 years

In the event there is an impairment, the asset is written down, regardless of the depreciation already recorded; in subsequent periods if the reasons for the write-down are no longer valid, it is restored to its original value, net of accumulated depreciation that would have been allocated, had impairment not been applied, or the recoverable value, if lower. The recoverability of their value is verified according to the criteria set forth in IAS 36. The residual value and useful life of an

asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.
Gains and losses arising from the sale or disposal of assets are determined as the difference between the sale proceeds and the net book value of the asset and are recognized in the income statement for the year.
Any financial expense incurred for the purchase or production of tangible assets for which a certain period of time normally passes to make the asset ready for use is capitalized and amortized throughout the useful life of the class of assets to which it refers, while all other financial expenses are booked as profit and loss in the year in which they are incurred.
The costs of routine maintenance are fully recognized in the income statement while costs of an incremental nature are allocated to the assets to which they refer and are depreciated in proportion to their residual useful life. If leasehold improvements meet the capitalization requirements, they are classified under tangible assets and depreciated on the basis of the duration of the lease contract. In the presence of legal or implied obligations for the dismantling and removal of assets from sites, the carrying amount of the asset includes the estimated (discounted) costs to be incurred at the time of abandonment of the structures, recognized in counter-entry under a specific provision.
When tangible assets consist of several significant components with different useful lives, depreciation is calculated and carried out separately for each component.
Land is not subject to depreciation, even if purchased in conjunction with a building.

Leasing

The Company has lease agreements in place for the use of offices and apartments for use as temporary accommodation. The contracts are typically entered into for from 3 to 20 or more years, but they may have an extension option. The contractual terms are individually negotiated and contain a broad array of different terms and conditions.
Starting from January 1, 2019, following the initial application of IFRS 16, the Company has recognized for all of those lease agreements, with the exception of short-term ones (i.e., lease agreements with a duration of 12 months or less which do not contain a purchase option) and those concerning low-value assets (i.e., with a unit value of lower than USD 5 thousand), a right of use - recognized under tangible assets - and a corresponding financial liability equal to the sum of the rent established in the contract, discounted according to an appropriate financial cost (borrowing rate) based on the company's standing, the term of the lease and the value of the cost of money when the contract is entered into.
Lease payments relating to short-term and low-value contracts are recognized in the income statement as costs on a straight-line basis throughout the term of the lease.
The value of rights of use decreases over time as a function of depreciation, which is calculated over the contractual term. Only if the lease transfers ownership of the underlying asset to the company at the end of the contract will the right of use be depreciated on the basis of the useful life of the underlying asset, in line with that of the same assets in its category.
After the start date, the amount of liabilities for lease agreements increases to reflect the interests accrued and decreases to reflect the payments made. Each lease payment is broken down between the repayment of the principal on the liability and the interest cost.
The term of the lease is calculated considering the non-cancellable period of the lease as well as the periods covered by the agreement extension option if it is reasonably certain that it will be exercised, or any period covered by an option for the termination of the lease agreement, if it is reasonably certain that it will not be exercised. The Company evaluates if it is reasonably certain that it will or will not exercise the extension or termination options taking into account all relevant factors. The initial valuation is reviewed if a significant event takes place or there is a change in characteristics influencing the valuation itself which are under the control of the Company.
In the financial statements, the Company shows the right of use under Property, plant and equipment and lease liabilities under Financial liabilities among non-current and current liabilities, depending on their maturity.

Impairment

At each reporting date, the Company reviews the book values of its intangible assets and property, plant and equipment to determine whether there is any indication of impairment. If they are found to be impaired, the asset's recoverable value is estimated in order to determine the extent of the write-down. Should it be impossible to estimate the recoverable value of an individual asset, the Company estimates the recoverable value of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually or more frequently, whenever there is an indication that the asset may have been subject to impairment. The recoverable amount is the higher of the fair value net of selling expenses and the value in use. In calculating the value in use, estimated future cash flows are discounted to present value at a pre-tax rate that reflects current market valuations of the value of capital and the specific risks connected to the asset. If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be lower than the relative book value, it is reduced to the lower recoverable value and the impairment is recognized in the income statement. When it is no longer necessary to maintain an impairment, the carrying value of the asset (or cash-generating unit), with the exception of goodwill, is increased to the new value deriving from the estimate of its recoverable value, but not exceeding the net book value that the asset would have had if it had not been written down for impairment. The revaluation is immediately recognized in the income statement.
The chapter on impairment testing details the procedure applied to validate the amounts of assets held by the Group companies.

Investments

Investments in subsidiaries and associates are valued at cost and reduced for any impairment losses.
The positive difference, arising at the time of purchase, between the acquisition cost and the share of shareholders' equity at current values of the investee pertaining to the company is therefore included in the book value of the investment. Investments in subsidiaries and associated companies are subjected annually, or more frequently if necessary, to impairment testing. The valuation method used is based on the discounted cash flow or fair value, calculated as the amount obtainable from the sale of the investment in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. If there is evidence that these investments have suffered an impairment loss, this is recognized in the income statement as a write-down. In the event that the Company's share, if any, of the investee's losses exceeds the carrying amount of the investment, and the Company has the obligation or intention to cover them, the value of the investment is written off and the Company's share of further losses is recorded as a provision in liabilities. If, subsequently, the impairment is eliminated or reduced, a reversal of the impairment loss is recorded in the income statement within the limits of the cost.
In the section on impairment testing in the consolidated financial statements, the stability of the value of the equity investments held directly by Orsero has already been described.

Non-current/current financial assets

Non-current financial assets include items such as medium-term receivables, grants to be received and security deposits, all valued at nominal value, which normally coincides with their realizable value and are recorded at the time they are generated.
All other financial assets must be recognized initially at the trading date, i.e. when the Company becomes party to the contractual clauses of the financial instrument, and must be classified on the basis of the business model of the Company that holds them and considering the cash flows of these assets. IFRS 9 envisages the following types of financial instruments, depending on measurement:

- financial assets measured at amortized cost;

- financial assets at fair value with changes recognized in the income statement;
- financial assets at fair value with changes recognized in the comprehensive income statement.

Initially, all financial assets are measured at fair value, increased in the case of assets other than those at fair value with changes in the income statement of ancillary charges. It should be noted that fair value means the value of the price of the instrument in an active market; in the absence of the latter, it is determined by using a valuation technique that establishes which price the transaction would have had at the valuation date in a free exchange based on normal commercial considerations. The Company determines the classification of its financial assets after initial recognition and, where appropriate and permitted, reviews said classification at the close of each financial year if the business model is changed. The recoverability of their value is verified according to the criteria set forth in IFRS 9 and described below. At the time of subscription, it is considered whether a contract contains implicit derivatives. Derivatives embedded in contracts where the primary element is a financial asset that falls under the field of application of IFRS 9 must never be segregated.
The Company must recognize a provision to cover losses for expected credit losses regarding financial assets measured at amortized cost or at fair value through other comprehensive income, assets deriving from contracts or commitments to disburse loans and financial guarantee contracts.
Financial assets are derecognized when the contractual rights to their cash flows expire or are transferred.
Financial assets measured at amortized cost are those assets held as part of a business model designed to obtain cash flows represented solely by payments of principal and interest. The measurement of financial assets at amortized cost involves the application of the effective interest rate method net of any provision for impairment.
Financial assets at fair value through other comprehensive income are assets held as part of a business model designed to obtain cash flows from both the payment of principal and interest and the sale of the asset. These activities result in the recognition of changes in the fair value of the instrument in the statement of comprehensive income. The cumulative amount of the changes in fair value, entered in the shareholders' equity reserve, is reversed to the income statement upon derecognition of the instrument.
The financial assets that are not measured at amortized cost and that are not designated at fair value through other comprehensive income are measured at fair value through profit or loss. Net profit and loss, including dividends or interest received, is noted in the period income statement.
It should be noted that equity instruments must always be measured at fair value, given that as they are not characterized by secure and constant cash flows, they are not compatible with the amortized cost method.

Trade, tax and other receivables

Trade, tax and other receivables are initially recognized at fair value, equating to their price determined in the relative transaction insofar as there is no significant loan component; thereafter, they are measured according to the amortized cost method, net of impairment.
IFRS 9 defines a new impairment model for such assets, with the aim of providing information to readers of the financial statements in regard to the related expected losses. According to this model, the Company measures receivables adopting an expected loss approach in lieu of the IAS 39 framework, which is typically based on the measurement of the incurred losses observed. For trade receivables, the Company takes a simplified approach to measurement, which does not require the recording of periodic changes to the credit risk, as much as it does the booking of an expected credit loss calculated over the entire life of the receivable (known as the "Lifetime Expected Credit Loss").
The policy enacted by the Company envisages the stratification of trade receivables into categories according to the number of days past due, defining the provision on the basis of past experience of losses on loans, rectified to take into account specific provisional factors referring to

creditors and the economic environment. The credit risk is measured at the reporting date also for those financial assets whose cash flows have been renegotiated or modified. Receivables are fully provisioned if there is no reasonable expectation that they will be collected, or where counterparties are inactive. The book value of the asset is reduced by the use of a provision for doubtful debt and the amount of the loss is recognized to the income statement. When collection of the price is deferred beyond normal terms established, the credit is discounted at a suitable market rate.
The item "Other receivables and other current assets" also includes accruals and deferrals relating to portions of costs and income spanning two or more years, the entity of which varies over time, in application of the accruals accounting approach.

Cash and cash equivalents

This item includes cash and amounts held in on-demand post office/bank current accounts (including fees payable and receivable accrued as at the reporting date) and entered at nominal value, which usually coincides with fair value.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit and loss. A financial liability is classified at fair value through profit and loss when it is held for trading, represents a derivative or is designated at such at the time it is first booked. Financial liabilities measured at fair value through profit or loss are measured at fair value with any changes, including interest expense, noted on the income statement. Other financial liabilities are measured thereafter at amortized cost, using the effective interest rate criterion. Interest expense and foreign exchange gains/(losses) are booked on the income statement, as are any gains or losses deriving from derecognition of the liability.
The Company proceeds to derecognize a financial liability when the obligation specified in the contract has been fulfilled or canceled.
Financial liabilities are entered under current and non-current financial payables, other non-current liabilities, trade payables, tax liabilities and other current liabilities. Current and non-current financial payables include bond payables, bank loans, current account overdrafts, liabilities due to other lenders (namely leasing, factoring and payables in accordance with IFRS 16), liabilities for hedging derivatives and the price balance on acquisitions.
Financial payables, apart from derivatives, are initially carried at cost, which is approximately the equivalent of fair value, net of costs incurred for the transaction. Thereafter, any difference between the cost and value of repayment throughout the term of the loan, using the effective interest method. Loans are classified as current liabilities unless the Company has the unconditional right to defer the termination of this liability at least twelve months after the reference date. As regards leasing and liabilities in accordance with IFRS 16, reference is made, for measurement, to the paragraph entitled "Leasing" of these Notes, while for derivatives, please refer to the paragraph on "Derivative financial instruments and hedging".
As regards other non-current liabilities, trade payables, tax liabilities and other current liabilities, they are entered at nominal value, which is believed to represent their extinguishing value; please note that these items do not include a significant portion of financing.

Derivative financial instruments and hedging

Derivative financial instruments are initially recognized at fair value on the date on which they are stipulated. Thereafter, this fair value is periodically reviewed and any changes booked to the period statement of comprehensive income. They are recognized as assets when the fair value is positive and as a liability when it is negative. Embedded derivatives are separated out from the primary contract and booked separately when the primary contract is not a financial asset and when certain criteria are met. The Company carries out transactions with derivative instruments with a view to hedging the risk of fluctuations in the prices of commodities, interest rates and exchange rates. Derivatives are classified, consistently with IFRS 9, as hedging instruments when:

- the hedging relationship consists solely of admissible hedging instruments and admissible hedged elements;
- at the inception of the hedging relationship there is a designation and formal documentation of the hedging relationship, the Company's risk management objectives and the hedging strategy;
- the hedging relationship meets all effectiveness requirements.

When derivatives hedge the risk of fluctuation in the fair value of the underlying asset (fair value hedges), they are measured at fair value with the effects of the change in value of the instrument intended to offset the change, typically in the opposite direction, in the value of the hedged underlying asset recognized in profit or loss. When derivatives hedge the risk of changes in the cash flows of the underlying asset (cash flow hedge), the effective portion of changes in the fair value of the derivatives is initially recognized in equity (accounted through "other comprehensive income") and subsequently recognized in the income statement, consistently with the economic effects of the hedged transaction.
Changes in the fair value of derivatives that do not meet the formal requirements to qualify as hedging for IAS/IFRS purposes are recognized in the income statement.

Treasury shares

Treasury shares are booked as a reduction of shareholders' equity. Their original cost and any economic effects from any subsequent sale are equally recorded as changes in equity.

Provisions

The Company recognizes provisions for current, legal or implicit obligations associated with past events (current and non-current) in the item provisions for risks and charges, provided that two precise conditions are met: (i) there is a high probability that, over time, resources will need to be used to meet such obligations and (ii) a reliable estimate can be made of their amount. The allocations reflect the best possible estimate based on the information available. The provisions are then reviewed at each reference date and potentially adjusted to reflect the best current estimate; any changes in estimate are reflected in the income statement of the period in which the change occurred. When the financial effect of time is significant and the payment dates of the obligations can be estimated, the provision is discounted using a rate that reflects the current valuation of the cost of money in relation to time. The increase in the provision related to the time elapsed is recorded in the income statement under "Financial income, financial expenses and exchange differences".
In the event of lawsuits, the amount of the provisions is determined according to the risk assessment, in order to determine the probability, timing and amounts concerned. When the liability relates to property, plant and equipment (such as the dismantling and reclamation of sites), the provision is recognized as a counter-entry to the asset to which it refers and recorded in the income statement through the depreciation process.
The Notes to the financial statements provide information on significant contingent liabilities represented by:

- possible (but unlikely) obligations arising from past events whose existence will only be confirmed if one or more future events occur that are not entirely under the control of the company;
- current obligations arising from past events whose amount cannot be estimated reliably or whose fulfillment may not be onerous.

Employee benefits

Short-term benefits

Short-term employee benefits are accounted for in the income statement during the period in which they are employed.

Post-employment benefits

The Company's employees receive benefits coincident with or subsequent to termination of employment, which may be either defined contribution or defined benefit pension plans. The relative liability, net of any assets used for the plan, is determined on the basis of actuarial assumptions estimating the amount of future benefits that employees have accrued as at the reference date (the "projected unit credit" method). The liability is recognized on an accruals basis throughout the period for which the right is accrued and measured by an independent actuary.
The accounting of pension plans and other post-employment benefits depends on their nature. Defined contribution plans are post-employment benefits on which basis the Company pays fixed contributions to a legally different entity on a mandatory, contractual or voluntary basis, without there being any legal or implicit obligation to make additional payments if the entity does not have sufficient assets to pay all pension benefits accrued in relation to the work carried out this year and previous years. The contributions to be paid are recorded on the income statement through accruals accounting and classified amongst payroll costs.
Defined benefit plans are post-employment benefit plans other than defined contribution plans. The obligation to finance provisions for defined benefit pension plans and the related annual cost noted on the income statement are determined on the basis of independent actuarial valuations using the projected unit credit method, according to one or more factors such as age, years of service and future remuneration envisaged. Actuarial gains and losses relative to defined benefits plans deriving from changes in the actuarial hypotheses and adjustments based on past experience, are noted immediately in the period in which they arise in the statement of comprehensive income and are never carried as profit and loss in subsequent periods. Recognized liabilities for post-employment benefits reflect the present value of liabilities for defined-benefit plans, adjusted to consider unrecognized actuarial gains, reduced by the fair value of plan assets, where such exist. Any net assets determined by applying this calculation are entered up to the amount of the actuarial losses and the cost relating to past performance, not recognized previously, as well as the current value of repayments available and the reductions of future contributions to the plan. Costs relating to defined benefits plans are classified under payroll and related costs apart from costs relating to the increase of the current value of the obligation deriving from the approach to the time when benefits classified amongst financial expense, fall due.
As regards the Italian companies, severance indemnity due to employees in accordance with Article 2120 of the Italian Civil Code, was considered up until December 31, 2006 a defined benefits plan. The regulation of this provision has been significantly altered by Italian Law no. 296 of December 27, 2006 ("2007 Financial Law") and subsequent Decrees and Regulations. More specifically, the new provisions have required, for companies with a workforce in excess of 50 employees as at the date on which the reform is introduced, to consider severance indemnity a defined benefits plan only for portions accrued as at January 1, 2007 (and not yet liquidated as at the reporting date); after that date, it is considered as equivalent to a defined contribution plans. Consequently, the portions of severance indemnity accrued after that date take on the nature of defined contribution plans, except, therefore, for actuarial estimating components used to determine the accrued cost. The portions of severance indemnity accrued as at December 31, 2006 remain valued as defined benefits plan, according to actuarial procedures, with the calculation, however, excluding the component relative to future salary increases.

Share-based payments

The 2020-2022 LTI Plan for directors and employees recognizes a monetary incentive related to the achievement of certain performance and shareholder value creation objectives, subject to the fulfillment of the access conditions ("Gate") and the continuation of employment with the Group.

The Plan also provides for a portion of these incentives to be indexed to Parent Company share performance. Liabilities assumed were measured at fair value in accordance with IFRS 2. This fair value is recognized in the income statement as a cost on the basis of the vesting period, with a counter-entry as a payable recognized in "Other current liabilities". Also see in the directors' Report on Operations the section entitled "Top Management incentive remuneration".

Revenues and income

According to IFRS 15, revenues from services are recognized when the service is rendered, based on the stage of completion of the activity at the reporting date.
Dividend and interest income are recognized respectively:

- dividends, in the year in which they are collected;
- interest, applying the effective interest rate method.

Costs and expenses

Costs incurred are accounted for on an accrual basis.
Financial expenses include interest expense on financial payables, calculated using the effective interest method, exchange rate losses and differences. They are also recognized in the income statement at maturity.

Dividends

Dividends received are recognized when, after the resolution of the Shareholders' Meeting is passed, the right to receive the payment is established, typically coinciding with the collection.

Period income tax, deferred tax assets and liabilities

Current taxes are recognized and determined based on a realistic estimate of taxable income in accordance with tax regulations in force and taking account of any applicable exemptions and tax credits due.
Orsero and almost all Italian subsidiaries participate in the "tax consolidation" system in accordance with Articles 117 et seq. of the TUIR.
Deferred taxes are determined on the basis of taxable or deductible temporary differences between the book value of assets and liabilities and their tax value. They are classified as non-current assets and liabilities. A deferred tax asset is recognized if it is likely that taxable income will be realized against which the deductible temporary difference can be utilized.
The carrying amount of deferred tax assets is subject to periodic analysis and is reduced to the extent to which it is no longer likely that sufficient taxable income will be generated to allow for the benefit deriving from such deferred asset to be utilized.

Conversion criteria for foreign currency items

Costs and revenues denominated in currencies other than the Euro, as well as investments in technical fixed assets and equity investments, are accounted for using the historical changes at the dates of the related transactions. Receivables and payables in foreign currency are initially recorded based on historical exchange rates of the related transactions, with the exchange rate differences realized at the time of collection or payment recorded in the income statement; receivables and payables in foreign currency outstanding at the end of the year are valued at December 31. Related exchange rate gains and losses are recognized in the income statement. If the conversion creates a net gain, this amount represents a reserve which cannot be distributed until it is actually realized.

Use of estimates, risks and uncertainties

The preparation of the financial statements and related Notes in accordance with IFRS requires management to make estimates and assumptions that have an impact on the value of revenues, costs of assets and liabilities of the financial statements and on the disclosure of contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on experience, other relevant factors and the information available. Therefore, the actual results achieved may differ from said estimates. The estimates and assumptions may vary from one year to the next and they are therefore reviewed periodically; the effects of any changes made to them are reflected in the income statement in the period in which the estimate is reviewed if the review only concerns that period, or possibly in subsequent periods if the review concerns both the current and future periods.
The main estimates for which the use of subjective valuations by the management is most required were used, inter alia, for the valuation of subsidiaries and associated companies, deferred taxes, provisions and the fair value of financial instruments.

Impairment test of investments

For the purposes of IAS 36, the Company carries out impairment tests every year or more frequently if necessary if there is any indication of impairment, with respect to subsidiaries to verify the recoverability of the carrying amount of investments and ensure that the value recorded in the financial statements does not exceed the recoverable amount.
The solidity of the values of equity investments is verified by comparing the book values with the corresponding values in use, equal to the sum of discounted cash flows for the three-year period 2022-2024 and the terminal value that the management estimates the individual companies will be able to generate. Account was also taken of the interrelationships between the investments, in terms of the generation of largely independent cash flows, within the respective CGUs to which they belong. For Cosiarma alone, on the other hand, differentiated Adjusted EBITDA values were used, equal to the budget figure for 2022, the average Adjusted EBITDA for the years 2020-2021 for 2024 and an average value between the two for the year 2023, the year in which the positive performance of the Shipping sector is expected to continue as outlined in the 2022 Budget. On the other hand, the value of amortization and depreciation for the three-year period has been calculated in such a way so that the value of the vessels at the end of 2024 is equal to their scrap value.
In the preparation of the impairment test, 2022 Budget data aligned to the year 2021 were used under the assumption of data validity for the Group's business which, as it is part of the food sector, was not significantly impacted by the COVID-19 epidemic, as noted in the Report on Operations.
For discounting, the post-tax WACC is used as the discount rate, which takes into account the specific risks of the asset and reflects current market valuations of the cost of money. It is based on weighting the cost of debt and the cost of equity, calculated based on the values of companies comparable to those belonging to the Group and subject to impairment as they operate in the same business sector.
For the 2021 impairment test, as in the previous year, an independent professional was appointed, a university professor, to determine the parameters applied in the test as indicated below:

	WACC	**“g” rate**
Italy CGU	7.21%	0.50%
France CGU	6.13%	1.00%
Spain CGU	6.84%	1.00%
Portugal CGU	7.02%	1.00%
Greece CGU	8.26%	0.50%
Cosiarma CGU	9.96%	n.a.

The results of the calculations showed the extensive head-room between the equity value of the investments and the relative book values:

Thousands of euro	WACC	"g" rate	Equity Value	Book Value financial investments	Head-room
- Italy	7.21%	0.50%	92,179	55,730	36,449
- France	6.13%	1.00%	68,463	21,466	46,997
- Spain	6.84%	1.00%	57,609	41,233	16,376
- Portugal	7.02%	1.00%	6,356	3,174	3,182
- Greece	8.26%	0.50%	7,253	2,505	4,748
- Cosiarma	9.96%	-	74,342	31,849	42,493

The sensitivity analysis was carried out highlighting, on the basis of impairment testing data, how much adjusted EBITDA should reduce, remaining unchanged the parameters of WACC and "g" rate to zero the head-room of the various CGUs, just like the WACC should come in at that value, unchanged the values of adjusted EBITDA and "g" rate, to zero the head-room and the same for the "g" rate, unchanged the adjusted EBITDA and WACC values. The table below summarizes the results of this test.

CGU	Adjusted Ebitda	WACC	"g" rate
- Italy	-20.47%	10.11%	-3.03%
- France	-44.80%	17.60%	-14.90%
- Spain	-14.10%	8.57%	-1.01%
- Portugal	-18.10%	9.43%	-1.50%
- Greece	-49.00%	21.80%	-20.30%
- Cosiarma	-53.45%	66.23%	-

Management of financial risk

IFRS 7 requires additional information to evaluate the significance of financial instruments in relation to Orsero's economic performance and financial position. This accounting standard requires a description of the objectives, policies and procedures put in place by management for the various types of financial risk (liquidity, market and credit) to which the Company is exposed, including sensitivity analysis for each type of market risk (exchange rate, interest rate, equity, commodity) and disclosures about the concentration, as well as average, minimum, and maximum exposures to the various types of risk during the reporting period, if the exposure at the end of the period was not sufficiently representative.
The Company is a holding of equity investments that assures the centralized management and strategic coordination, marketing and communication, HR management, IT and support services for the Finance Area, for Group companies. The following financial risks are incurred in going about its business:

- liquidity risk, with reference to the availability of financial resources and access to the credit market;
- market risk, in relation to the interest rate risk;
- credit risk, relating to above all commercial relations.

It is reported that in relation to the market risk, Orsero S.p.A. is only subject to the interest rate risk, insofar as it does not operate with currencies other than the Euro and is not subject, in respect of its holding business, to the price risk. The company's main financial instruments include current accounts and short-term deposits, as well as financial liabilities to banks in the short and long term, bond payables, liabilities due to other lenders and derivatives. The purpose is to finance the Group's operating activities. Additionally, the company has trade receivables and payables from its business activities. Management of the cash needs and related risks (mainly interest rate risk) is carried out by the centralized treasury on the basis of the guidelines defined by the Treasury

Manager with the Group CFO and approved by the Chief Executive Officer. Please note that the above-mentioned risks are constantly monitored, taking action with a view to dealing with and limiting the potential negative effects through the use of appropriate policies and, in general, where deemed necessary, also through specific hedges. This section provides qualitative and quantitative information of reference on the incidence of such risks on the Company. The quantitative data presented below are not predictions and cannot reflect the complexity and the related reactions of markets that could derive from each hypothetical change.

Liquidity risk

The Company, as the Parent Company, manages the liquidity risk with a view to ensuring the presence, on both separate and consolidated level, of a liability structure that matches the composition of financial statement assets, in order to maintain a solid level of capital. Credit facilities, even if negotiated on a Group level, are granted for individual companies. The Company and the Group have also financed their investments with medium/long-term credit facilities that guarantee a liquidity position that is adequate for its core business. There is plenty of opportunity to use short-term trade credit facilities if trade working capital is needed in connection with organic growth and development. Please also note that the Group operates in a sector that is relatively protected in terms of liquidity, insofar as there is a specific European regulation (Art. 62 of Decree Law 1/2012), which requires payments of perishable assets to be made within 30 days of the end of the month in which said assets are invoiced. This means that collection and payment terms are relatively short, precisely due to the type of assets marketed. If we then also add the fact that inventories have very rapid stock rotation times and, in any case, an average of 1 or 2 weeks, we can see that the working capital cycle is virtuous and does not entail any liquidity risk in normal market operations.

The table below offers an analysis of deadlines, based on contractual obligations for reimbursement, relative to financial, trade, tax and other liabilities in place as at December 31, 2021.

Thousands of euro	Balance at December 31, 2021	Within 1 year	Over 1 year and up to 5 years	Over 5 years
Bond payables	**30,000**	-	20,000	10,000
Medium- to long- term bank loans (Non - current/ current)	**34,654**	10,828	22,717	1,109
Other lenders (Non - current/ current) ex IFRS 16	**3,802**	260	2,400	1,142
Non current liabilities for derivative (Non-current/ current)	**229**	-	229	-
Payables for price balance on acquisitions (Non-current/current)	**-**	-	-	-
Other current lenders short term	**-**	-	-	-
Payables to suppliers*	**797**	797	-	-
Payables to subsidiaries*	**23,917**	23,917	-	-
Payables to related parties*	**67**	67	-	-
Current tax liabilities	**235**	235	-	-
Other current liabilities	**3,484**	3,484	-	-
Non-current/current liabilities at 31.12.2021	**97,186**	**39,588**	**45,346**	**12,251**

* These amounts are included in the balance "Payables"

It is reported that all amounts indicated in the table above represent values determined with reference to the residual contract end dates. The Company expects to cope with these commitments using cash flow from Group operations.

Interest rate risk

The Company and the Group help finance their medium/long-term investments and working capital through use of credit instruments. The Group mainly uses medium-term credit facilities in euros, part of which at fixed rate and part at variable rate. A suitable partial IRS plain vanilla hedge

has been activated (partial in the first case, total in the second) on the main ones (2018-2024 pool loan for an original figure of Euro 60 million and the 2021-2027 Credit-Agricole loan for Euro 5.5 million), with a view to mitigating the risk of fluctuation of the reference rates (Euribor) over time, or in the case of the only debenture loan issued, the option was chosen for an entirely fixed rate structure. As at December 31, 2021, interest rate hedges adopted by the Company cover 76% of medium/long-term variable rate loans. It is stressed that, in the Company's opinion, such choices are today very prudent, also in view of the expected medium-term evolution of reference rates in Europe. As already mentioned, this hedging is effective against interest rate rises but clearly does not cancel out the effect of any spread increases, envisaged contractually if the ratio between Net Financial Position and Adjusted EBITDA should take a turn for the worse.
Please note that at December 31, 2021, two hedging contracts are in place, stipulated by the Parent Company with two banks in accordance with the Pool Loan Agreement, which contain a cross default clause that entitles the related bank to terminate and/or withdraw from (as applicable) the related hedging contract, in the event of significant default by subsidiaries, parents and/or joint ventures, with the concept of control regulated by the possession of the majority of votes.

Sensitivity analysis on interest rates
In FY 2021, the net financial position of Orsero decreased from Euro 49,888 thousand to Euro 35,171 thousand, in connection with the repayments made on the loan for an original Euro 60 million, two new loans taken out from Credit Agricole and Credem, the recognition of the payable pursuant to IFRS 16 for an additional Euro 1,962 thousand as well as repayments of Euro 232 thousand, as well as the different amount of bank balances of the companies associated with the cash pooling system. Below is the ratio of debt to equity as at December 31, 2021 and December 31, 2020. Please note that the financial covenants existing on the bond and pool loan must be counted, as envisaged by the related contracts, on a net financial position that excludes the application of the new standard IFRS 16 for the entire term of said loans.

Thousands of euro	31.12.2021	31.12.2020
Net financial debt	35,171	49,888
Total shareholders'equity	149,503	147,591
Ratio	**0.24**	**0.34**

The table below shows the constant incidence of fixed-rate debt or variable-rate debt hedged by IRSs. The incidence of said debt on total "onerous" debt is also indicated, thereby meaning not only medium-term bank debt and the debenture loan but also short-term, variable rate bank debt. As compared with gross financial debt, as shown in the financial statements, "non-interest-bearing" payables are excluded, like the mark-to-market positions on derivatives, the residual price still to be paid on acquisitions and payables linked to the application of the new standard IFRS 16.

Thousands of euro	31.12.2021	31.12.2020
Total medium- to long- term bank loans (A)	**64,654**	**67,938**
of which fixed rate	54,864	58,724
Percentage - fixed rate	84.9%	86.4%
of which floating rate	9,790	9,214
Percentage - floating rate	15.1%	13.6%
Total other indebtedness (B)	**-**	**18**
Total indebtedness (A)+(B)	**64,654**	**67,956**
Percentage - fixed rate	84.9%	86.4%
Percentage - floating rate	15.1%	13.6%

As mentioned, the Company has activated appropriate IRS hedges on the original loan of Euro 60 million, equal to 71%, as well as on the new Credit Agricole loan of Euro 5.5 million, equal to 100%

of the value. If the reference rates should be increased by the European Central Bank, it is considered that the Company and Group would not suffer from any particularly severe impacts with respect to the present state.
Below is the sensitivity analysis on the effect of a greater value of interest rates on variable rate, medium-term bank debt. This table shows, in relation to the interest linked to medium/long-term bank loans, the greater expenses that would have been incurred, in the reference period, in the event of a higher level of interest rate by between 25 and 100 basis points:

Thousands of euro	31.12.2021	31.12.2020
Evolution of financial charges		
- on fixed rate bank loans	(1,115)	(1,110)
- on fixed rate bank loans related to liabilities for derivative	(503)	(681)
- on floating rate bank loans	(108)	(136)
- on bank overdrafts and other financial liabilities	-	-
- amortizing interests	(125)	(167)
Total	**(1,852)**	**(2,094)**

Thousands of euro	31.12.2021	31.12.2020
In the balance sheet	(108)	(136)
+ 25 bp	(23)	(26)
+ 50 bp	(45)	(51)
+ 75 bp	(68)	(77)
+ 100 bp	(91)	(103)

Credit risk

The Company has a limited degree of exposure to the credit risk, for the most part from transactions with Group companies meaning that the risk is low that any delays or non-payments made by them should have a negative impact on Orsero's economic, equity and financial position. Receivables and payables include loans, both creditors and debtors, with respect to subsidiaries also through the cash pooling and short-term loan system, whose balances at December 31, 2021 amount to Euro 23,699 thousand of receivables and Euro 23,239 thousand of payables.
The table below provides a breakdown of receivables as at December 31, 2021, grouped by past-due, net of the provision for doubtful debt:

Thousands of euro	31.12.2021	To expire	Overdue within 30 days	Overdue between 31-90 days	Overdue between 91-120 days	Overdue over 120 days
Gross receivables	40,200	40,071	15	16	14	84
Provision for bad debts	-	-	-	-	-	-
Receivables	**40,200**	**40,071**	**15**	**16**	**14**	**84**

Transactions deriving from non-recurring transactions

In accordance with the Consob Communication of July 28, 2006, it is specified that in 2021 the Company incurred costs relating to non-recurring transactions. In accordance with Consob Communication no. 15519 of February 28, 2005, please note that the item "Other operating revenues/costs" includes expenses of Euro 1,618 thousand, primarily linked to Top Management bonuses.
For more details, refer to the Note 19 "Other operating income/expense" and Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

Transactions deriving from atypical and/or unusual transactions

In compliance with the provisions of the Consob Communication of July 28, 2006, in 2021, the Company did not implement any atypical and/or unusual transactions.

Notes - disclosures on the statement of financial position and the income statement

This chapter provides useful information to explain the most significant changes compared to the previous year in the items of the financial statements.

NOTE 1. Intangible assets other than goodwill

Thousands of euro	Intellectual property rights	Concessions, licenses and trademarks	Assets in progress and advances	Other intangible assets	Total
Carrying amount	**281**	**6**	**-**	**-**	**286**
Accumulated amortization	**(134)**	**(1)**	**-**	**-**	**(135)**
Carrying amount at December 31, 2020	**147**	**4**	-	-	**151**
Change of year:	-	-	-	-	-
Investments	49	-	9	-	58
Disposal - Carrying amount	-	-	-	-	-
Disposal - accumulated amortization	-	-	-	-	-
Reclassification - carrying amount	-	-	-	-	-
Reclassification - accumulated amortization	-	-	-	-	-
Impairment losses	-	-	-	-	-
Translation differences - carrying amount	-	-	-	-	-
Translation differences - accumulated amortization	-	-	-	-	-
Amortization	(66)	(1)	-	-	(67)
Carrying amount	**330**	**6**	**9**	**-**	**344**
Accumulated amortization	**(200)**	**(2)**	**-**	**-**	**(202)**
Carrying amount at December 31, 2021	**130**	**4**	**9**	**-**	**143**

Intangible assets have increased by Euro 58 thousand. The increase is mainly due to the costs incurred for the purchase and personalization of software dedicated to the preparation of the Sustainability Report, already in operation in 2021, for Euro 47 thousand; for the difference, during the year, an intranet channel for the management of personnel training was implemented and completed.
The Company did not incur any expenses for research in 2021.

Intellectual property rights
The item includes costs incurred for the Company's software programs and licenses, amortized on a straight-line basis over 5 years or based on the duration of the related license, with a residual value of Euro 130 thousand (Euro 147 thousand at December 31, 2020). During the year, amortization of Euro 66 thousand was applied on the software mentioned above.

Concessions, licenses, trademarks and similar rights
Concessions, licenses, trademarks and similar rights are amortized on a straight-line basis over 10 years and have a balance of Euro 4 thousand, in respect of period amortization of Euro 1 thousand.

Assets in progress and advances
This item is entirely made up of amounts paid to sector specialists for the study and creation of new logos, not yet finalized.

At December 31, 2021, the Company verified there were no internal or external indicators of possible impairment for its intangible assets. Consequently, their value has not been subject to impairment testing.

NOTE 2. Property, plant and equipment

Thousands of euro	Lands and buildings	Plantations	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets in progress and advances	Total
Carrying amount	**2,495**	**-**	**-**	**-**	**1,870**	**-**	**4,365**
Accumulated depreciation	**(389)**	**-**	**-**	**-**	**(1,193)**	**-**	**(1,582)**
Balance at December 31, 2020	**2,106**	**-**	**-**	**-**	**677**	**-**	**2,783**
Change of year:							
Investments	1,962	-	-	-	293	100	**2,355**
Disposal - Carrying amount	-	-	-	-	(149)	-	**(149)**
Disposal - accumulated depreciation	-	-	-	-	105	-	**105**
Reclassification - Carrying amount	-	-	-	-	-	-	**-**
Reclassification - accumulated depreciation	-	-	-	-	-	-	**-**
Impairment losses	-	-	-	-	-	-	**-**
Translation differences - carrying amount	-	-	-	-	-	-	**-**
Translation differences - accumulated depreciation	-	-	-	-	-	-	**-**
Depreciation	(243)	-	-	-	(257)	-	**(500)**
Carrying amount	**4,458**	**-**	**-**	**-**	**2,013**	**100**	**6,571**
Accumulated depreciation	**(633)**	**-**	**-**	**-**	**(1,344)**	**-**	**(1,977)**
Balance at December 31, 2021	**3,825**	**-**	**-**	**-**	**669**	**100**	**4,594**

At December 31, 2021, property, plant and equipment totaled Euro 4,594 thousand, marking a net increase of Euro 1,811 thousand compared to the previous year due to the following events:

- signing of a lease contract for a large space to be used as offices, in the Symbiosis area, located in Milan, in the area of Piazza Adriano Olivetti; the urban requalification activity being performed on the area in question is still ongoing and the leased premises require major customization and furnishing works, which had already been started as at December 31; the finalization of the contract generated an increase in assets of Euro 1,852 thousand, pursuant to IFRS 16; the asset has not been depreciated as the offices will become operational in the first half of 2022.
- the signing of a lease agreement for office premises in Albenga, in the Cime di Leca 31 region, a short distance from the premises already leased in the area, in order to better comply with the distancing regulations linked to the health emergency and which, in the future, will allow for an optimal positioning of the offices; the asset recorded in the financial statements amounts to Euro 110 thousand (pursuant to IFRS 16) and has been depreciated by Euro 18 thousand.
- investments for Euro 293 thousand, including vehicles for Euro 148 thousand, electronic equipment for Euro 32 thousand, furnishings for Euro 105 thousand, equipment for Euro 1 thousand and telephony for Euro 7 thousand.
- depreciation of buildings for the period amounting to Euro 243 thousand and "Other assets" amounting to Euro 257 thousand.
- disposals of assets (at book value) totaling Euro 149 thousand (depreciated by Euro 105 thousand), represented by the sale of company cars for Euro 148 thousand and electronic office equipment for Euro 1 thousand.

Land and buildings

This item includes buildings, in terms of historical cost, for Euro 4,458 thousand (Euro 2,495 thousand in 2020), depreciated according to the difference lease contracts ex IFRS 16 and refers to the extraordinary maintenance work carried out at the Company's new headquarters in Milan for Euro 70 thousand and the already-mentioned incorporation of the IFRS 16 effects relative to the corporate office above, the current office located at C.so Venezia in Milan, the administrative complex in Albenga (numbers 30 and 31 in the Cime di Leca region), and a property for use as temporary accommodation, also in Milan.

Other tangible assets

The item mainly includes the following assets held by the Company, in terms of historical cost:

- corporate cars for Euro 815 thousand (Euro 812 thousand in 2020) and depreciated at 25%;
- furniture and fixtures for Euro 635 thousand (Euro 529 thousand in 2020) and depreciated at 12%;
- office equipment for Euro 404 thousand (Euro 376 thousand in 2020) and depreciated at 20%;
- equipment for Euro 43 thousand (Euro 42 thousand in 2020) and depreciated at 12%;
- mobile telephones for Euro 45 thousand (Euro 39 thousand in 2020) and depreciated at 20%;
- small plants for Euro 40 thousand (Euro 40 thousand in 2020) and depreciated at 15%.
- light construction for Euro 31 thousand (Euro 31 thousand in 2020) and depreciated at 10%.

Leasing – IFRS 16

The Parent Company has applied IFRS 16 as of January 1, 2019 using the modified retrospective method and in accordance with it has recorded the “Right of use” under “Property, plant and equipment” within each category to which it belongs. Details are provided below of changes in the amount of rights of use recognized by the Group for the years 2020 and 2021.

Thousands of euro	Lands and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total
Carrying amount	**2,425**	**-**	**-**	**-**	**2,425**
Accumulated depreciation	**(382)**	**-**	**-**	**-**	**(382)**
Balance at December 31, 2020	**2,043**	**-**	**-**	**-**	**2,043**
Change of year:					
Changes of consolidated companies	-	-	-	-	**-**
Investments 2021	1,962	-	-	-	**-**
Depreciations	(241)	-	-	-	**(241)**
Carrying amount	**4,387**	-	-	-	**4,387**
Accumulated depreciation	**(623)**	-	-	-	**(623)**
Balance at December 31, 2021	**3,764**	**-**	**-**	**-**	**3,764**

In 2021 the company entered into two new long-term lease agreements, the first with the related company Nuova Beni Immobiliari for a duration of 7 years and a “right of use” value of Euro 110 thousand and the second for the new and larger offices in Milan, which will become the company's registered office in 2022, with a 10-year lease and a “right of use” value of Euro 1,852 thousand. Besides the financial commitment for Euro 1,962 thousand, in the course of 2021 the company made repayments for Euro 232 thousand, so that the final NFP as of December 31, 2021 amounts to Euro 3,802 thousand compared to Euro 2,072 thousand on the previous December 31.
As of December 31, 2021, the weighted average interest rate on outstanding contracts is 2.8%.
For the Parent Company, the application of IFRS 16 entailed an increase in the net financial position of Euro 1,962 thousand and an impact on Adjusted EBITDA of Euro 276 thousand compared to Euro 236 thousand in 2020.

At December 31, 2021, the Company verified there were no internal or external indicators of possible impairment for its tangible assets. Consequently, the value of tangible assets has not been subject to impairment testing.

NOTE 3. Equity investments

Thousands of euro	Investments in subsidiaries	Investments in associates	Investments in other companies	Total
Carrying amount	**287,409**	**3,683**	**3,963**	**315,655**
Accumulated provision on investments	**(128,851)**	**(1,524)**	**(3,961)**	**(154,934)**
Balance at December 31, 2020	**158,559**	**2,159**	**1**	**160,719**
Change of year:				
Additional/Capital increase	-	7,322	-	7,322
Divestments and disposals-carrying amount	(13)	-	-	(13)
Divestments and disposals-accumulated provision on investments	13	-	-	13
Impairment losses/Using fund to cover losses	-	-	-	-
Repayments to Shareholders loan	-	-	-	-
Reversal of impairment loss	(181)	-	-	(181)
Decrease due to merger with subholding	-	-	-	-
Merger with subholding - carrying amount	-	-	-	-
Merger with subholding - accumulated provision on investments	-	-	-	-
Reclassification-carrying amount	(42)	-	-	(42)
Reclassification-accumulated provision on investments	-	-	-	-
Carrying amount	**287,174**	**11,005**	**3,963**	**322,742**
Accumulated provision on investments	**(128,838)**	**(1,524)**	**(3,961)**	**(154,921)**
Balance at December 31, 2021	**158,336**	**9,481**	**1**	**167,818**

Equity investments totaled Euro 167,818 thousand, with a net increase of Euro 7,099 thousand due to the changes reported in the table and detailed below.
As mentioned in SDIR's press releases of September 28 and October 4, a 50% stake in Agricola Azzurra S.r.l., a company specializing in the wholesale distribution of fruit and vegetables of Italian origin, was purchased on October 4. With this initiative, the Group intends to develop its presence in this sector, aiming to achieve, together with the partner in this operation, a leading position in the marketing of Italian agricultural products in Italy. The acquisition price, equal to Euro 7,322 thousand, reflects the value of (i) the company's 2021 EBITDA, (ii) the prospective value deriving from the commercial relationships contributed by the Group between October 1, 2021 and September 30, 2022 and (iii) the company's Net Financial Position as at September 30, 2021.
By the 2022 deadline, the final acquisition value may be subject to upward and/or downward adjustments based on the actual values of the above parameters.
This adjustment, without prejudice to the other parameters, may amount to a maximum of a Euro 3,212 thousand increase in the consideration in the event that the value of the benefit of the commercial relations contributed by the Group were to be nil. During the valuation of the financial statements, in light of the results achieved in the fourth quarter of 2021, the estimate made at the time to determine the fair value of the acquisition, amounting to Euro 7,322 thousand, was confirmed.
The decrease of Euro 181 thousand instead relates to the final settlement of the price paid for the 2020 acquisition of 50% of Moncada Frutta.
There were no revaluations in 2021.

Impairment test of investments

Impairment regarding the equity investments held by Orsero has already been discussed in the paragraph on impairment testing in this report, which should be referred to for the details.

NOTE 4. Non-current financial assets

Thousands of euro	31.12.2021	31.12.2020	Change
Non-current financial assets	**35**	**37**	**(1)**

The item in question includes amounts paid to suppliers as deposits.

NOTE 5. Deferred tax assets

Thousands of euro	31.12.2021	31.12.2020	Change
Deferred tax assets	**1,228**	**1,327**	**(99)**

Deferred tax assets are allocated, where their future recovery is probable, on temporary differences, subject to early taxation, between the value of assets and liabilities for statutory purposes and the value of the same for the purposes of taxation and on prior tax losses that can be carried forward. Deferred tax assets as at December 31, 2021, amounting to Euro 1,228 thousand (Euro 1,327 thousand at December 31, 2020), relate to IAS-IFRS transition entries, such as, for example, the liquidation of investments in intangible assets per IAS 38, or the determination of the liability for employee benefits according to the actuarial methodology, in addition to costs that are not deductible for the current year, but will be deductible in subsequent years, and future uses of prior losses as part of the tax consolidation scheme.
The reduction of Euro 99 thousand in 2021 is due to various factors, the main ones of which refer to the change in the MTM of the interest rate swap contracts in place (Euro 50 thousand) and the release of deferred tax costs for the difference.
This accounting item represents deferred tax assets on: prior-year losses amounting to Euro 1,000 thousand, trademarks not recorded in the financial statements amounting to Euro 27 thousand, the differential arising from the application of IAS 19 to employee severance indemnities amounting to Euro 145 thousand and the differential on the fair value swap amounting to Euro 55 thousand.
For more information on the breakdown of this item, please refer to Note 22 “Income Taxes”.

NOTE 6. Receivables

Thousands of euro	31.12.2021	31.12.2020	Change
Trade receivables from third parties	37	7	30
Receivables from subsidiaries	40,006	48,923	(8,917)
Receivables from related parties	158	175	(17)
Provision for bad debts	-	-	-
Receivables	**40,200**	**49,106**	**(8,905)**

All receivables derive from normal transactions implemented with the Group companies. There are no receivables due beyond five years.
The balance of receivables at December 31, 2021 from subsidiaries refers mainly to receivables of a financial nature, due within one year for Euro 23,699 thousand, consisting of treasury current accounts for Euro 17,439 thousand and interest-bearing loans granted to AZ France S.A.S. for Euro 5,000 thousand, Eurofrutas S.A. for Euro 600 thousand and Moncada S.r.l. for Euro 660 thousand. The balance also includes receivables from the national tax consolidation system for Euro 1,929 thousand. The remainder consists of trade receivables.

The reduction compared to December 31, 2020 essentially reflects the lower positive balance in the position of treasury current accounts ("Cash pooling"), partly offset by the increase in trade receivables due from Group companies bought at the beginning of the year from the subsidiary Simba as part of the reorganization of its operations.
Receivables from related parties relate to:

- Nuova Beni Immobiliari S.r.l. Euro 62 thousand, represented in full by invoices to be issued, all trade receivables;
- Business Aviation Sector Euro 62 thousand, of which Euro 57 thousand represented by invoices issued, all trade receivables;
- Argentina S.r.l. Euro 1 thousand, all trade receivables;
- FIF Holding S.p.A. Euro 33 thousand, of which Euro 23 thousand represented by invoices issued, trade receivables.

At December 31, 2021, the item decreased by Euro 17 thousand.

The following is the breakdown of the receivables by geographical area:

Thousands of euro	31.12.2021	31.12.2020	Change
Italy	21,027	41,988	(20,961)
Eu countries	19,173	7,116	12,056
Non-Eu countries	-	-	-
Receivables	**40,200**	**49,106**	**(8,906)**

NOTE 7. Current tax assets

Thousands of euro	31.12.2021	31.12.2020	Change
For value added tax	631	307	324
For tax advances paid in the current year	-	-	-
For taxes to be reimbursed	459	471	(12)
Other receivables	168	145	23
Current tax assets	**1,259**	**924**	**335**

At December 31, 2021, tax receivables show an increase of Euro 335 thousand, fully attributable to VAT for the year.
The item "Receivables for taxes to be reimbursed" includes Euro 104 thousand IRES reimbursement request for 2004-2005 pursuant to Art. 6 of Decree Law 11/29/2008 and converted by the law of 01/28/2009 no. 2 presented as consolidating entity; Euro 151 thousand receivables arising from the submission of the reimbursement request pursuant to Art. 2, paragraph 1-quater of Decree Law 201/2011 for the years 2007, 2009, 2010, 2011 as the Company was the consolidating entity. Please also note that the same remaining receivable amount mentioned above will need to be recognized to the companies participating in consolidated taxation at the time (payables to subsidiaries). The items already requested for reimbursement for various purposes and described in the paragraph above remained basically unchanged with respect to the accounting situation in the previous year, while the items relating to advances paid or withholdings applied in the current and previous years refer instead to receivables arising from the application of the national tax consolidation system. The balance is completed by VAT credits amounting to Euro 631 thousand.

NOTE 8. Other receivables and other current assets

Thousands of euro	31.12.2021	31.12.2020	Change
Other receivables	29	41	(12)
Accruals and pre-payments	297	318	(20)
Current financial assets	16	16	-
Other receivables and other current assets	**342**	**374**	**(32)**

As at December 31, 2021, the item showed an overall decline of Euro 32 thousand, mainly related to prepayments of Euro 289 thousand, mostly for insurance costs and expenses for statutory bodies for future periods. This item also includes accrued income of Euro 9 thousand referring to revenue for the year for contributions relating to employee training courses; the difference relates almost entirely to the balance of prepaid credit cards used by employees and receivables for miscellaneous positions duly collected the following year.
The balance was not affected by the outstanding receivable from the related party, Argentina S.r.l., for Euro 8,000 thousand, as it is entirely provisioned.
The item "Accrued and deferred assets" refers to normal allocations for the recognition and correct allocation of costs related to the following year, typically services, insurance and guarantee expenses, leases, interests.

NOTE 9. Cash and cash equivalents

Thousands of euro	31.12.2021	31.12.2020	Change
Cash and cash equivalents	**33,498**	**21,302**	**12,195**

The balance reflects the positive current account balances of the Company and the Italian Group companies associated with the cash pooling system. The balance at December 31, 2021 represents cash of Euro 9 thousand and the balance of ordinary bank accounts for Euro 33,489 thousand.
The change in the item can be analyzed in detail in the cash flow statement.

NOTE 10. Shareholders' Equity

The share capital at December 31, 2021, fully paid in, consists of 17,682,500 shares without par value for a value of Euro 69,163,340; there are no preference shares. Holders of ordinary shares have the right to receive the dividends as they are resolved and, for each share held, have a vote to be cast in the Company's shareholders' meeting. The change in shareholders' equity as of December 31, 2021 compared to the previous December 31 mainly reflects the extent of the result for the year, the dividend paid for a total of Euro 3,506 thousand, the purchase of treasury shares and changes in derivative MTMs and employee benefits pursuant to IAS 19 as fully detailed in the statement of changes in shareholders' equity.
At December 31, 2021, Orsero held 312,514 treasury shares, equal to 1.71% of the share capital, for a value of Euro 2,572 thousand, shown as a direct decrease in shareholders' equity. In the course of 2021, the Parent Company acquired a total of 150,000 treasury shares at an average price of Euro 10.88 per share for Euro 1,631 thousand.
As at December 31, 2021, the Group does not hold, directly or indirectly, shares in parent companies and it did not acquire or sell shares in parent companies during the year.
The share premium reserve comes to Euro 77,438 thousand at December 31, 2021, whilst the legal reserve is Euro 647 thousand.
The cash flow hedging reserve, recognized for Euro 174 thousand, shows the positive change relating to the adjustment to fair value as at December 31, 2021 net of the tax effect with an indication thereof in the statement of comprehensive income of the derivative on interest rates for Euro 158 thousand, accounted for with the cash flow hedging method.

The reserve of remeasurement of defined benefit plans, established in compliance with the application of IAS 19, changed by Euro 45 thousand on December 31, 2020.
The Shareholders' Meeting of April 29, 2021 resolved, accepting the proposal of the Board of Directors, to distribute a dividend of Euro 0.20 per share for a total value of Euro 3,506 thousand. The ex-dividend date was May 10, 2020, the record date was May 11 and payments began on May 12, 2021.
Below is the table with the possibility of use of the various items of equity and the summary of uses in the last three years:

Thousands of euro	Amount	Possible utilizations	Portion available	Summary of utilizations in the three previous years: For loss coverage	For other reasons
Share Capital*:	**66,438**				
- Share Capital	**69,163**				
- Treasury share reserve	(2,572)				
- Equity investments'costs reserve	(153)				
Capital reserves:					
Share premium reserve	77,438	A,B	77,438		
Merger surplus reserve***	12,051	A,B,C	12,051	1,195	
Incorporation differences***	(18,221)				
Revenue reserves:					
Legal reserve	647	B	647		
Extraordinary reserve***	3,294	A,B,C	3,294		
Reserve of cash flow hedges	(174)				
Others***	(1,609)	B			
Retained earning/(losses)	2,629	A,B,C	2,629		
Net profit	7,011	A,B,C	7,011		
Total Shareholders' equity	**149,503**		**103,070**	**1,195**	**-**
Non-distributable portion**	78,435				
Residual distributable portion	24,635				

(*) net of treasury shares for €/000 2.572 and equity investments'costs for €/000 153
(**) It includes the portion of net profit ex art. 2430 cc
(***) Included in the item "Other reserves". In the amount "Others" is included the "Remeasurement of defined benefit plans reserve"

Legend:
A: for capital increase
B: for loss coverage
C: for distribution to shareholders

The statement of changes in shareholders' equity attached to the financial statements instead illustrates the changes between the two years in the individual items of the reserves, with particular regard to the changes that took place following the distribution of the 2020 profit, the purchase of treasury shares, the changes in the MTM on derivatives and as a result of the calculation of employee benefits in accordance with IAS 19.

NOTE 11. Financial liabilities

In order to facilitate the understanding of the Company's financial exposure, making the information simpler and of better quality, the data was provided not following the non-current/current distinction, but based on the nature of the payable, within which the non-current/current components are specified.
The financial exposure is as follows:

Thousands of euro	31.12.2021	31.12.2020	Change
Bond payables (over 12 months)	30,000	30,000	-
Non - current medium term bank loans (over 12 months)	23,825	27,154	(3,329)
Non current payables for price balance on acquisitions	-	575	(575)
Non current liabilities for derivative (over 12 months)	229	437	(208)
Non - current other lenders (over 12 months) ex IFRS 16	3,542	1,864	1,678
Non - current financial liabilities	**57,596**	**60,030**	**(2,434)**
Current medium term bank loans	10,828	10,784	44
Bank overdrafts	-	18	(18)
Payables on acquisitions price balance	-	166	(166)
Current other lenders	-	-	-
Current other lenders ex IFRS 16	260	207	52
Current financial liabilities	**11,088**	**11,176**	**(88)**

The main components of the change in 2021 for a total of Euro 2,523 thousand between the non-current and current shares are related to medium/long-term loans, as detailed below:

- the payment of the June 30 and December 31 installments of Euro 10,909 thousand on the pool loan, along with Euro 125 thousand accounted for as implicit interest deriving from the recognition of the item with the amortized cost method. Please recall that at June 31, a hedge is in place on 71% of that loan against interest rate fluctuations, for which the mark to market value is a negative Euro 174 thousand. Please note that this loan is subject to covenants calculated as the ratio between the net financial position and Adjusted EBITDA and the net financial position and shareholders' equity which at the reporting date were fully respected;
- the granting of two new medium-term loans of Euro 5.5 million (Credit Agricole) and Euro 2.0 million (Credem), on the first of which a 100% IRS hedge was taken out against the risk of interest rate fluctuations, with a negative mark-to-market at December 31, 2021 of Euro 54 thousand;
- the recognition of Euro 1,115 thousand in interest on the debenture loan for Euro 30,000 thousand. Please recall, as noted previously, that the bond loan calls for compliance with financial covenants, such as the ratio between the net financial position and Adjusted EBITDA and the net financial position and shareholders' equity which, at the reporting date, were fully respected. Accrued interest as of December 31, amounting to Euro 268 thousand, is included in other payables;
- as noted, with reference to the payable for price installments to be paid for acquisitions, during the year the amount relating to the acquisition of Moncada Frutta was settled with an outlay of Euro 317 thousand, after the price adjustment of Euro 181 thousand;
- the IFRS 16 component amounted to Euro 3,802 thousand, compared with Euro 2,072 thousand as of last December 31, due to Euro 1,962 thousand for new contracts signed during the year and repayments of Euro 232 thousand;
- the value of the mark-to-market for interest rate derivatives improved by Euro 208 thousand, falling from a negative Euro 437 thousand to Euro 229 thousand.

The schedule of medium-term debt to banks and other lenders at December 31, 2020 and December 31, 2021 is detailed in the following table, organized in two columns (due in 2022 and due beyond December 31, 2022, in turn broken down by amounts due by December 31, 2026 and amount due after said date) to provide a better comparison with the previous table.

The table below shows the breakdown of payables to banks for loans and payables to other lenders for medium to long-term financial payables for the current and non-current portions; the latter is further broken down by due within/beyond five years.

Thousands of euro	Total	2021	> 31.12.2021		2022-2025	> 31.12.2025
Bond payables (Non-current/current)	30,000	-	30,000		15,000	15,000
Medium term bank loans (Non - current/ current)	37,937	10,784	27,154		27,154	-
Other lenders (Non - current/ current) ex IFRS 16	2,072	207	1,864		630	1,234
Liabilities for the derivatives (Non-current/current)	437	-	437	as follows:	437	-
Bank overdrafts	-	-	-		-	-
Payables for price balance on acquisitions (Non-current/current)	742	166	575		575	
Short-term payables to banks	18	18	-		-	-
Financial liabilities at 31.12.2020	**71,206**	**11,176**	**60,030**		**43,796**	**16,234**

Thousands of euro	Total	2022	> 31.12.2022		2023-2026	> 31.12.2026
Bond payables (Non-current/current)	30,000	-	30,000		20,000	10,000
Medium term bank loans (Non - current/ current)	34,653	10,828	23,825		22,717	1,109
Other lenders (Non - current/ current) ex IFRS 16	3,802	260	3,542		2,400	1,142
Liabilities for the derivatives (Non-current/current)	229	-	229	as follows:	229	-
Other current lenders short term	-	-	-		-	-
Payables for price balance on acquisitions (Non-current/current)	-	-	-		-	-
Bank overdrafts	-	-	-		-	-
Financial liabilities at 31.12.2021	**68,684**	**11,088**	**57,596**		**45,346**	**12,251**

At December 31, 2021, there were two hedges on interest rates, the mark to market of which is negative at the reporting date and equal to Euro 229 thousand. The negative fair value was recognized under non-current financial payables with a contra-entry in a specially designated shareholders' equity reserve ("cash flow hedging reserve").
Please note that the pool loan contract for Euro 60 million and the debenture loan envisage compliance with financial and equity covenants, summarized in the table below. As mentioned, the covenants regarded the Net Financial Position prior to application of IFRS 16. Such covenants were respected in full at the reporting date. It is also noted that both loans are subject to change of control clauses.

Thousands of euro	Duration	Period	Parameter	Limit	Respected
Bond payables 30 M€	2018-2028	Annually/ Half-yearly	Net financial position / Total Shareholders' Equity	<1,25	Yes
Bond payables 30 M€	2018-2028	Annually/ Half-yearly	Net Financial Position / Adjusted Ebitda	<3,00	Yes
Bond payables 30 M€	2018-2028	Annually/ Half-yearly	Adjusted Ebitda/ Net financial expenses	>5	Yes
Pool loan 60 M€	2018-2024	Annually	Net financial position / Total Shareholders' Equity	<1,5	Yes
Pool loan 60 M€	2018-2024	Annually	Net Financial Position / Adjusted Ebitda	<3,00	Yes

According to that required by Consob communication no. 6064293 dated July 28, 2006 and in compliance with the CESR Recommendation of February 10, 2005 "Recommendation for the standardized implementation of the European Commission Regulation on information prospectuses", below is the net financial debt of Orsero as at December 31, 2021.

	Thousands of euro	31.12.2021	31.12.2020
A	Cash	33,498	21,302
B	Cash equivalents	16	16
C	Other current financial assets	-	-
D	**Liquidity (A + B + C)**	**33,513**	**21,318**
E	Current financial debt *	-	(184)
F	Current portion of non-current financial debt **	(11,088)	(10,991)
G	**Current financial indebtedness (E + F)**	**(11,088)**	**(11,176)**
H	**Net current financial indebtedness (G - D)**	**22,425**	**10,142**
I	Non-current financial debt ***	(27,596)	(30,000)
J	Debt instruments	(30,000)	(30,000)
K	Non-current trade and other payables	-	(2,876)
L	**Non-current financial indebtedness (I + J + K)**	**(57,596)**	**(60,030)**
M	**Total financial indebtedness (H + L)**	**(35,171)**	**(49,888)**

*Included debt instruments, but excluding current portion of non-current financial debt

** Including respectively euro 260 and 270 from lease contracts ex IFRS 16 as of 31.12.2021 and 31.12.2020

*** Excluding current portion and debt instruments (including respectively euro 3,542 and 1,864 from lease contracts ex IFRS 16 as of 31.12.2021 and 31.12.2020

It is noted that the above ESMA prospectus does not take into account the net credit balance of Euro 459 thousand relative to the cash pooling with the Group's Italian companies.

In terms of changes in liabilities as a result of financing activities, information is provided that allows users of the financial statements to evaluate the changes that occurred in compliance with IAS 7.

Liabilities from financing activities	31.12.2020	New loans	Payments	Cash Flow	Derivatives	31.12.2021
Current financial assets	(16)	-	-	-	-	(16)
Total financial assets	**(16)**	**-**	**-**	**-**	**-**	**(16)**
Bond payables (over 12 months)	30,000	-	-	-	-	30,000
Non-current medium term bank loans	37,937	7,500	(10,784)	-	-	34,654
IFRS 16 Effect	2,072	1,962	(232)	-	-	3,802
Current liabilities for the derivatives	437	-	-	-	(208)	229
Current other lenders short term	-	-	-		-	-
Payables for price balance on acquisitions (Non-current-current)	742	-	(742)	-	-	-
Current financial assets	18	-	-	(18)	-	-
Total financial liabilities	**71,206**	**9,462**	**(11,758)**	**(18)**	**(208)**	**68,685**

NOTE 12. Provisions

Thousands of euro	31.12.2021	31.12.2020	Change
Provisions	**123**	**520**	**(397)**

As of December 31, 2021, only Euro 520 thousand was used from the existing provision, following the settlement of the dispute related to the guarantee given in the past in favor of K-Air S.r.l. During the year the Directors decided to recognize a provision of Euro 123 thousand due to an issue with a supplier, which is currently being resolved. The booked results shows the present provision made for risks by the Company in compliance with IAS 37, which rules that directors must make provisions on the financial statements only if the risk is held to be probable and quantifiable, thereby aiming to express the most truthful and correct situation possible.

NOTE 13. Employee benefits liabilities

The changes for 2021 are provided herein, calculated using actuarial valuation.

Thousands of euro	Employees benefits liabilities
Balance at December 31, 2020	**2,373**
Change of year:	
Revaluation	223
Benefits paid and transferred	(345)
Interest cost	(10)
Gain/(losses) resulting from changes in actuarial assumptions	45
Other changes	20
Balance at December 31, 2021	**2,306**

The liability for employee benefits, in accordance with national regulations, essentially includes the employee severance indemnity accrued by employees in service at December 31, net of advances paid to employees. In accordance with IAS 19, the liability for employee benefits is measured using the actuarial valuation methodology, through the support of an external specialist, and adjusted in relation to the occurrence of relevant events.
The main financial and demographic assumptions used in determining the present value of the liability relative to the liability for employee benefits, are described below.

Discount rate	Orsero 0,458%
Inflation rate	1.50%
Salary increases (included inflation)	1.50%
Mean withdrawal rate	3.00%
Mean withdrawal amount rate	70.00%
Mortality rate	SIMF 2020
Access to retirement	Minimum access requirements required by Monti-Forner Law
Probability of termination	6,30%

The equity adjustment for actuarial gains/losses includes an actuarial loss of Euro 45 thousand. Actuarial gains and losses are recognized in shareholders' equity through the comprehensive income statement.

NOTE 14. Payables

Thousands of euro	31.12.2021	31.12.2020	Change
Payables to suppliers	797	940	(144)
Payables to subsidiaries	23,917	11,227	12,691
Payables to related parties	67	56	11
Payables	**24,781**	**12,223**	**12,559**

As at December 31, 2021 this item showed a balance of Euro 24,781 thousand (Euro 12,223 thousand as at December 31, 2020); the increase of Euro 12,559 thousand is essentially linked to the different cash-pooling treasury position. Furthermore, note that:

- payables to suppliers refer entirely to business relationships related to the Company's ordinary activities;
- payables to subsidiaries are mainly financial payables, comprising treasury current accounts for Euro 23,239 thousand (Euro 9,634 thousand in 2020), payables for IRAP reimbursement request for Euro 295 thousand, payables for the tax consolidation system for Euro 6 thousand and trade payables for Euro 377 thousand. The increase compared to December 31, 2020 is due to changes in the Group's cash pooling relationships.

There are no trade payables with a residual maturity of more than 5 years recognized in the financial statements.
At December 31, 2020 and 2021, there were no outstanding payables of significant amount, nor did the Company receive injunction decrees for past due payables.
Payables to related parties relate to:

- Business Aviation sector Euro 56 thousand, of which Euro 34 thousand resulting from the sale of the sector in preparation for the conclusion of the Significant Transaction which took place in 2017, extinguished in part (Euro 1,117 thousand) during the year 2019, and the remainder from commercial relations.
- Nuova Beni Immobiliari S.r.l. Euro 11 thousand, for trade payables.

The following table instead provides a breakdown of payables on a geographical basis.

Thousands of euro	31.12.2021	31.12.2020	Change
Italy	24,777	12,192	12,585
EU countries	4	31	(26)
Non-Eu countries	-	-	-
Payables	**24,781**	**12,223**	**12,559**

NOTE 15. Current tax liabilities

Thousands of euro	31.12.2021	31.12.2020	Change
For withholding tax	235	206	30
Current tax liabilities	**235**	**206**	**30**

At December 31, 2021, the item under review showed a change of Euro 30 thousand, an increase compared to the previous year. The withholding amount of Euro 228 thousand consists of Euro 222 thousand for employees and Euro 6 thousand for professionals; the balance also incorporates Euro 7 thousand relating to substitute tax on severance indemnity; all amounts are regularly paid and to date there are no past-due amounts relating to the item in question.

NOTE 16. Other current liabilities

Thousands of euro	31.12.2021	31.12.2020	Change
Payables to personnel	2,704	1,832	872
Other current payables	228	254	(26)
Towards Public Social Security Bodies	238	229	9
Accrued expenses and deferred income	314	288	26
Other current liabilities	**3,484**	**2,604**	**880**

At December 31, 2021, the item "Other current liabilities" had a balance of Euro 3,484 thousand, an increase from the previous year. Payables to personnel refer to current items for December in the amount of Euro 188 thousand, LTI incentives in the amount of Euro 1,011 thousand and MBO bonuses in the amount of 750 thousand euros, as well as holidays accrued and not used for Euro 608 thousand and accruals for the "14th month" bonus for Euro 147 thousand.

Other current liabilities include amounts due to natural person related parties in relation to wages and salaries, remuneration of the Board of Statutory Auditors and bonuses.

In terms of the income statement, the result of the Parent Company is of limited relevance as the revenue side is essentially linked to the services provided to the Group and the collection of dividends, while on the cost side, personnel costs, expenses for specialized consulting and promotional expenses of the brand are the most significant components, which result in a negative Adjusted EBITDA value; therefore, the discussion in relation to the consolidated income statement is much more relevant. Adjusted EBITDA registered a decrease of Euro 1,187 thousand, primarily due to an increase in the cost of labor, which was only partially offset by increased services offered to Group companies, promotional activities, which intensified after the year of transition affected by the pandemic, and the cost of specialized consulting relating to certain strategic transactions involving the Parent Company and functional to management activities.

NOTE 17. Net sales

Thousands of euro	31.12.2021	31.12.2020	Change
Consulting services	1,415	1,417	(2)
Cost recovery	714	510	204
Net sales	**2,129**	**1,928**	**201**

As at December 31, 2021, total net sales amounted to Euro 2,129 thousand, consisting of Euro 1,415 thousand for services and Euro 714 thousand for cost recovery. Consulting services relate entirely to consulting provided by company personnel regarding administrative, fiscal, corporate and legal matters. The cost recovery item is closely related to costs that the Company regularly incurs in the name and on behalf of third parties, in order to implement economies of scale and control in the acquisition of consulting services and in the insurance segment.

Thousands of euro	Total	Third parties	Subsidiaries	Related parties
Consulting services	**1,415**	-	1,340	75
Cost recovery	**714**	-	714	-
Net sales	**2,129**	**-**	**2,054**	**75**

Consulting services to related parties consist of:

- Business Aviation sector: Euro 5 thousand for administrative consulting;
- Nuova Beni Immobiliari S.r.l.: Euro 61 thousand for administrative, corporate and tax consulting.
- FIF Holding S.p.A.: Euro 9 thousand for administrative, corporate and tax consulting.

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NOTE 18. Overheads and administrative costs

Thousands of euro	31.12.2021	31.12.2020	Change
Personnel costs	5,233	4,697	536
External labor costs	-	103	(103)
Personnel training costs	18	5	13
Corporate bodies fees	724	614	110
Costs for notary, tax, legal and other professional services	459	356	103
Other professional services (including expenses) - wages, commercial consulting , technical consulting, others	1,247	1,005	241
Commercial, advertising, promotional and representation expenses	800	381	420
Insurance expenses	195	166	29
Costs for services and assistance hw, sw, phone network	213	219	(6)
Costs for maintenance, external labor and various other services	84	49	35
Costs of company car fleet	217	188	29
Rental costs and various rentals	58	74	(16)
Travel expenses	85	74	11
Utilities	101	118	(17)
Indirect taxes and duties	18	19	(0)
Non-deductible VAT	96	47	49
Amortization of intangible assets	66	57	10
Depreciation of tangible assets	501	448	53
Acquisition costs of stationery and material of consumption	39	51	(12)
Membership fees and other minor costs	310	327	(18)
Fees, commissions, bank guarantees charges and factoring	67	30	37
Overheads	**10,532**	**9,026**	**1,506**

The balance at December 31, 2021 of overheads and administrative costs consists mainly of personnel costs of Euro 5,233 thousand, as the holding company provides the subsidiaries with a range of consulting services largely provided through direct professionals. The balance for the year is higher than that of last year, primarily due to the transformation of a collaboration relationship and the termination of employment on reaching retirement age, with the relative settlements. Another significant item is that relating to advertising, which amounts to Euro 800 thousand: indeed, the company deals directly with all brand promotion activities, and therefore with operational and non-operational marketing; in the previous year, this item experienced a significant reduction, largely caused by the well-known events linked to Covid-19 and the related restrictions; the marketing department has intensified the direct management of all projects, strongly optimizing costs and adopting extremely specific and detailed initiatives, increasing and differentiating the channels used. The item "Consulting" also contains a rather significant balance, amounting to Euro 1,706 thousand, which rose compared to the previous year, as the Parent Company centralizes the use of external consultants to obtain more control over the critical issues of subsidiaries and to benefit from economies of scale. During the year, a number of business and strategic studies were commissioned from specialized consultants for management activities.

Thousands of euro	Total	Third parties	Subsidiaries	Related parties	Related parties physical persons
General and admnistrative expense	**7,596**	**6,994**	**591**	**11**	**2,936**

Overheads and administrative costs relating to companies that are related parties for the year 2021, as for 2020, are totally reduced in the financial statements since the rent paid to the related company Nuova Beni Immobiliari for a total of EUR 140 thousand has been restated in accordance with IFRS 16; the costs referring to subsidiaries mainly refer to IT and other services provided by the subsidiary Orsero Servizi. With regard to the costs attributable to "natural person" that are related parties, the note includes costs for remuneration and fees of Directors and Statutory Auditors totaling Euro 2,936 thousand.

NOTE 19. Other operating income/expense

Thousands of euro	31.12.2021	31.12.2020	Change
Other operating income	330	99	231
Other operating expense	(2,000)	(1,185)	(815)
Total other operating income/ expense	**(1,670)**	**(1,086)**	**(585)**

Details of the items "Other operating income" and "Other operating expense" for the years 2020 and 2021 are provided herein, with separate indication of ordinary positions and non-recurring items.

Thousands of euro	31.12.2021	31.12.2020	Change
Revenues from recovery of costs and insurance reimbu	33	16	17
Plusvalues and contingent revenues in ordinary course	139	63	76
Others	7	20	(13)
Other ordinary operating income	**180**	**99**	**80**
Others	150	-	150
Other non-recurring operating income	**150**	**-**	**150**

As at December 31, 2021, the item is mainly composed of: insurance reimbursements of Euro 33 thousand, capital gains on the sale of fixed assets (mainly automobiles) for Euro 28 thousand and contingent revenues due to incorrect estimates in the previous financial statements for Euro 106 thousand; the total amount also includes contingent revenues from overestimation in 2020of LTI bonuses for Euro 68 thousand and the portion of MBO bonuses attributable to personnels seconded to subsidiaries and consequently charged to them amounting to Euro 82 thousand.

Thousands of euro	31.12.2021	31.12.2020	Change
Penalities, sanctions and costs for damage to third parti	(3)	(2)	(1)
Minusvalues and contingent losses in ondinary course of business	(229)	(204)	(25)
Other ordinary operating expense	**(232)**	**(206)**	**(26)**
Monetary incentive plan	(1,534)	(972)	(562)
Covid-19 costs	(5)	(7)	2
Others	(230)	-	(230)
Other non - recurring operating expense	**(1,769)**	**(979)**	**(790)**

As at December 31, 2021, the ordinary portion of other operating expenses mainly consisted of tax and administrative penalties for Euro 3 thousand, contingent liabilities for incorrect estimates for Euro 73 thousand, non-deductible expenses of Euro 33 thousand and a prudent provision for Euro 123 thousand.

As already noted previously in the consolidated financial statements, in line with the best market practices adopted by listed companies at national and international level, the Company believes that remuneration plans linked to share performance are an effective incentive and loyalty tool for key players in order to maintain and improve performance and contribute to the growth and success of companies. The adoption of remuneration plans linked to share performance also responds to the recommendations of the Corporate Governance Code, Art. 6 of which recognizes that these types of plans represent a suitable instrument for aligning the interests of executive directors and managers with strategic responsibilities of listed companies with those of shareholders, allowing the priority objective of creating value over the medium to long term. The establishment of incentive remuneration mechanisms is expressly required by stock exchange regulation for companies belonging to the STAR segment of the MTA. The "2020-2022 Long-Term Monetary Incentive Plan" therefore aims to stimulate the maximum alignment of Beneficiaries' interests with the pursuit of the priority objective of sustainable creation of value for shareholders in the medium-long term. In particular, it makes it possible to pursue the following objectives: 1) to reward the short- and long-term performance of the Orsero Group as well as strengthen the alignment between the interests of management and those of shareholders, directing behavior towards the sustainability of performance and the achievement of defined objectives; 2) to develop retention policies aimed at retaining key corporate resources and encouraging them to remain with the Group; 3) to develop policies to attract talented managerial and professional figures. The Plan recognizes within the remuneration structure of the beneficiaries a monetary economic incentive related to the achievement of certain performance and value creation objectives for shareholders, subject to the fulfillment of the access conditions ("Gate") and the continuation of employment with the Orsero Group. Although the Plan does not provide for the assignment of financial instruments, but rather only the attribution of monetary incentives, it does establish that a part of these incentives shall be indexed to the yield of the Company's securities, which is why the Plan itself is subject to the rules set out in Article 114-bis of the Consolidated Law on Finance for plans that provide for the assignment of financial instruments, as applicable. For details about the Plan, please refer to the governance section of the website http://www.orserogroup.it/governance/remunerazione/.

As already pointed out in the previous report, the deferred LTI bonus for Top Management requires a special form of accounting which, in accordance with IFRS 2, breaks down the cost of the bonuses accrued in each year of the Plan on the basis of the "vesting period" of three years until 12-31-2022 for the bonus tranche accrued on condition that the beneficiary remains with the company as at January 1, 2023, and four years, for the bonus tranche accrued on condition that the beneficiary remains with the company as at January 1, 2024. As a result of this method of accounting, which causes the cost for the deferred bonus accrued in 2020 to be spread over the three and four years of the vesting period, that of 2021 over two and three years and that of 2022 over one and two years, there is a clear effect of accelerating the economic impact on the accounts for the three-year period 2020-2022, as well as differentiation regarding the amounts for the LTI deferred bonus, as indicated each year in the Remuneration Report.

With reference to the 2021 financial year, the incentives accrued by Top Management represent a cost of Euro 1,534 thousand divided into Euro 782 thousand for MBO (bonus component that will be paid following approval of the 2021 financial statements) and Euro 751 thousand for LTI (deferred bonus component, payable in two equal tranches in 2023 and 2024, subject to the condition that the beneficiaries remain in the company during the reference period, the "vesting period", and indexed to the performance of the Orsero share price).

Taking into account the mechanism described above, the cost of Top Management incentives accrued during the year, totaling Euro 1,533 thousand, includes:

- Euro 782 thousand for the MBO portion payable after approval of the 2021 financial statements;
- Euro 215 thousand for the portion of the 2021 LTI bonus payable in 2023;
- Euro 143 thousand for the portion of the 2021 LTI bonus payable in 2024;
- Euro 225 thousand for the portion of the 2020 LTI bonus payable in 2023;
- Euro 168 thousand for the portion of the 2020 LTI bonus payable in 2024.

It should be noted that for the 2020 LTI bonus the Orsero shares revaluation has already been taken into account, to the maximum extent of 40% provided for by the Plan, on the base bonus determined by the growth in the Orsero average share price equal, in the second half of 2021, to Euro 10.08, more than 1.6 times the average price in the second half of 2020, of Euro 6.08.
In the cost item in this note, the amounts determined by transactions with related parties, all attributable to Natural Persons, refer to LTI and MBO bonuses for Euro 1,232 thousand.

NOTE 20. Financial income, financial expense and exchange rate differences

Thousands of euro	31.12.2021	31.12.2020	Change
Financial income	221	189	33
Financial expense	(1,939)	(2,182)	242
Exchange rate differences	1	(1)	1
Financial income, financial expense, exchange rate differences	**(1,718)**	**(1,994)**	**276**

For each item included in the item in question, details are provided below:

Thousands of euro	31.12.2021	31.12.2020	Change
Interest income to third parties	96	21	75
Interest income to subsidiaries	115	163	(48)
Interest income TFR	10	5	5
Financial income	**221**	**189**	**33**

At December 31, 2021, financial income comprised interest on bank current account deposits for Euro 19 thousand, interest income on cash pooling positions for Euro 69 thousand, interest on loans to subsidiaries for Euro 45 thousand and sundry income for Euro 76 thousand, in addition to the interest cost from the application of IAS 19 to severance indemnities for Euro 10 thousand.

Thousands of euro	31.12.2021	31.12.2020	Change
Interest expenses from bank	(519)	(766)	247
Interest expensese ex IFRS 16	(43)	(44)	1
Interest expenses Bond	(1,115)	(1,110)	(5)
Interest expenses to subsidiaries	(44)	(44)	(0)
Losses on derivatives	(219)	(218)	(0)
Financial expense	**(1,939)**	**(2,182)**	**243**

At December 31, 2021, financial expenses were mainly attributable to the cost of debt for Euro 1,841 thousand, interest expense due to the application of IFRS 16 for Euro 43 thousand, interest expense on cash pooling transactions for Euro 44 thousand and banking surety fees for Euro 11 thousand.

Thousands of euro	31.12.2021	31.12.2020	Change
Realized exchange rate differences	1	(1)	1
Unrealized exchange rate differences		-	-
Exchange rate differences	**1**	**(1)**	**1**

NOTE 21. Other investment income/expense from investments

Thousands of euro	31.12.2021	31.12.2020	Change
Dividends	16,943	13,053	3,890
Result of securities and investments negotiation	(7)	-	(7)
Other investment income/expense	**16,936**	**13,053**	**3,884**

At December 31, 2021, the item consists of dividends distributed by Fruttital for Euro 3,500 thousand, AZ France for Euro 2,951 thousand, Hermanos Fernández López for Euro 3,000 thousand, Cosiarma for Euro 6,785 thousand and the associated company Fruport Tarragona for Euro 707 thousand.

NOTE 22. Income tax expense

Recall that all of the Italian subsidiaries with the exception of Cosiarma (which has opted for "tonnage tax" based taxation) participate in the "tax consolidation" system headed by Orsero S.p.A., in accordance with the option exercised by each company and confirmed by the Revenue Agency as a result of the submission of a specific request for ruling in accordance with Art. 124, paragraph 5, of the TUIR Tax Code and with Art. 13, paragraphs 1 and 2, of the Ministerial Decree of June 9, 2004.
The changes in taxes are summarized in the following table.

Thousands of euro	31.12.2021	31.12.2020	Change
Current taxes for the year	(17)	(20)	4
Deferred taxes = from statutory tax consolidation	1,928	2,892	(964)
Deferred taxes incomes and liabilities	(46)	(734)	688
Income tax expense	**1,866**	**2,138**	**(272)**

Taxes for 2021 came to Euro 1,866 thousand due to the income from tax consolidation, recognized by the consolidated companies for Euro 1,928 thousand, as well as the recognition of deferred tax assets (please see the table for detailed information).
The reconciliation between the tax charge recognized in the financial statements and the theoretical tax charge, calculated based on theoretical rates applicable in Italy, is as follows:

Thousands of euro	Taxable	Tax
EBT	5,145	
Theoretical tax rate		24%
Theoretical taxes		1,235
Temporary differences	2,239	
Permanent differences	(5,397)	
Income	**(8,013)**	
Actual tax charge		(1,923)
Actual tax rate		N/A
of which		
Income from statutory tax consolidation		1,923
Deferred taxes incomes from statutory tax consolidation		-

Theoretical income taxes have been determined by applying the current IRES tax rate of 24% to the income before tax. At December 31, 2021, there are no significant tax disputes.
For IRAP purposes, the net value of production is negative.
The table below shows the changes in the various deferred tax asset components by type. The amounts of current or deferred taxes charged directly to the statement of comprehensive income refer to the effects of the revaluation of the liability for employee benefits and the recognition of the mark-to-market on the derivative.

Thousands of euro	Statement of financial position		Income statement		Comprehensive income statement	
	2021	2020	2021	2020	2021	2020
Previous tax losses	1,000	1,000	-	-	-	-
Effect IAS 19	145	156	(10)	(25)	-	99
Trademarks	27	31	-	-	-	-
Costs deductible in the future	-	-	-	(707)	-	-
Financial derivatives	55	105	(23)	-	(50)	(9)
Others	-	36	(13)	(2)	-	-
Deferred tax assets	**1,228**	**1,327**	**(46)**	**(734)**	**(50)**	**90**

Deferred tax assets are recognized to the extent to which on the basis of company plans the existence of future taxable income against which such assets may be used is deemed likely. There are no other significant amendments to the tax legislation between 2021 and 2020.

NOTE 23. Disclosures on financial instruments

Pursuant to IFRS 7, the breakdown of financial instruments into the categories set out in IFRS 9 is as follows:

Thousands of euro	Balance at 31.12.21	Assets measured at amortized cost	Assets at fair value with changes recognized in the PL*	Liabilities measured at amortized cost	Liabilities at fair value with changes recognized in the CI*
Financial assets					
Investments in other companies	*1*	1	-	-	-
Non current financial assets	*35*	35	-	-	-
Receivables	*40,200*	40,200	-	-	-
Current tax assets	*1,259*	1,259	-	-	-
Other receivables and other current assets	*342*	327	16	-	-
Cash and cash equivalent	*33,498*	33,498	-	-	-
Financial assets	**75,335**	**75,320**	**16**	**-**	**-**
Financial liabilities					
Financiali liabilities of which:					
Bond payables	*30,000*	-	-	*30,000*	-
Non-current medium term bank loans (over 12 months)	*23,825*	-	-	*23,825*	-
Non-current other lenders (over 12 months) ex IFRS 16	*3,542*	-	-	*3,542*	-
Non-current liabilities for derivative (over 12 months)	*229*	-	-	-	*229*
Non-current payables for price balance on acquisition (over 12 months)	-	-	-	-	-
Current medium term bank loans	*10,828*	-	-	*10,828*	-
Current other lenders ex IFRS 16	*260*	-	-	*260*	-
Other current lenders short term	-	-	-	-	-
Payables for price balance on acquisitions (current)	-	-	-	-	-
Payables	*24,781*	-	-	*24,781*	-
Current tax liabilities	*235*	-	-	*235*	-
Other current liabilities	*3,484*	-	-	*3,484*	-
Financial liabilities	**97,185**	**-**	**-**	**96,956**	**229**

* CI=Comprehensive income; PL=Income Statement

Thousands of euro	Balance at 31.12.20	Assets measured at amortized cost	Assets at fair value with changes recognized in the PL*	Liabilities measured at amortized cost	Liabilities at fair value with changes recognized in the CI*
Financial assets					
Investments in other companies	*1*	1	-	-	-
Non current financial assets	*37*	37	-	-	-
Receivables	*49,106*	49,106	-	-	-
Current tax assets	*924*	924	-	-	-
Other receivables and other current assets	*374*	359	16	-	-
Cash and cash equivalent	*21,302*	21,302	-	-	-
Financial assets	**71,744**	**71,729**	**16**	**-**	**-**
Financial liabilities					
Financiali liabilities of which:					
Bond payables	*30,000*	-	-	*30,000*	-
Non-current medium term bank loans (over 12 months)	*27,154*	-	-	*27,154*	-
Non-current other lenders (over 12 months) ex IFRS 16	*1,864*	-	-	*1,864*	-
Non-current liabilities for derivative (over 12 months)	*437*	-	-	-	*437*
Non-current payables for price balance on acquisition (over 12 months)	*575*	-	-	*575*	-
Current medium term bank loans	*10,784*	-	-	*10,784*	-
Current other lenders ex IFRS 16	*208*	-	-	*207*	-
Other current lenders short term	*18*	-	-	*18*	-
Payables for price balance on acquisitions (current)	*166*	-	-	*166*	-
Payables	*12,223*	-	-	*12,223*	-
Current tax liabilities	*206*	-	-	*206*	-
Other current liabilities	*2,604*	-	-	*2,604*	-
Financial liabilities	**86,239**	**-**	**-**	**85,802**	**437**

* CI=Comprehensive income; PL=Income Statement

It is noted that only "Other sundry receivables and other current assets" of all financial assets include securities, i.e. financial instruments that are valued at fair value with impact on the income statement. Trade and other receivables are measured at the nominal value that, considering the speed of collection, coincides with the value determined by the application of amortized cost, in compliance with IFRS 9. Among financial liabilities, trading derivatives fall within the category "Liabilities measured at fair value", while hedging derivatives are recorded at fair value; the related change is accounted for in a shareholders' equity reserve with an impact on the comprehensive income statement.

As at December 31, 2021, there are three interest rate hedges in place, the first two linked to the Euro 60 million loan, including that initially activated by the sub-holding company GF Distribuzione S.r.l. on the Euro 20 million loan transferred to the Parent Company following the refinancing operation, whose negative fair value amounts to Euro 174 thousand, booked to the item non-current financial liabilities, with a specially designated shareholders' equity reserve as contra-entry. The third interest rate hedge, linked to the loan of Euro 5.5 million, whose negative fair value amounts to Euro 54 thousand, is booked to the item non-current financial liabilities, with a specially designated shareholders' equity reserve as contra-entry.

NOTE 24. Disclosures on financial instruments

Based on the requirements of IFRS 13 "Fair value measurement", the following disclosure is provided.

Fair value of financial instruments:

- for financial assets and liabilities that are liquid or have a very short maturity, the book amount is considered to approximate fair value; this hypothesis also applies to term deposits, disposable securities and floating rate financial instruments;
- for the measurement of the fair value of hedging instruments, valuation models based on market parameters are used. At the reporting date, no new derivative contracts had been stipulated;
- the fair value of non-current financial payables is obtained by discounting all future cash flows at the year-end conditions. In the current situation, where for medium-term debt the cost of the loan is aligned with the market value, the nominal values of the debt are considered as fair values.

As regards trade and other receivables and payables, the fair value is equal to the book value.
Fair value of non-financial instruments: it should be noted that there are no non-financial instruments measured at fair value at December 31, 2021.
As regards property investments, they are valued at cost, which is believed to be a reliable approximation of the related fair value.
The following tables analyze the hierarchy of financial and non-financial instruments measured at fair value, based on the valuation techniques used:

- Level 1: the valuation techniques use prices listed on an active market for the assets or liabilities subject to valuation;
- Level 2: the valuation techniques consider inputs other than the previous prices, but that can, however, be observed directly or indirectly on the market;
- Level 3: the techniques use inputs that are not based on observable market data.

Financial instruments
Derivatives, valued using techniques based on market data, are mainly IRSs on interest rates that have the purpose of hedging both the fair value of underlying instruments and cash flows. The most frequently applied valuation techniques include “forward pricing” and “swap” models, which use the calculations of the present value.
The following table analyzes financial instruments measured at fair value based on three different levels of valuation.

Thousands of euro		**31.12.2021**			**31.12.2020**	
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Current financial assets	16	-	-	16	-	-
Financial liabilities						
Speculative derivatives	-	-	-	-	-	-
Hedging derivatives	-	(229)	-	-	(437)	-

Level 1 valuation was used for non-significant securities.
Level 2 valuation, used for financial instruments measured at fair value, is based on parameters such as interest rates that are quoted in active or observable markets on official rate curves. The liability valued with Level 2 at December 31, 2021 relates to the negative fair value of the derivative on interest rates.

Non-financial instruments
It should be noted that there are no non-financial instruments measured at fair value at December 31, 2021.

NOTE 25. Transactions with related parties

The Company has enacted a conduct procedure related to transactions with related parties, both companies and physical persons, in order to monitor and trace the necessary information regarding transactions with Group companies as well as those in which directors and executives of the parent company have interests, for the purpose of their control and possible authorization. The procedure identifies the subjects required to report the above information, defines what transactions should become the subject of communication, and sets the deadlines to submit the information, specifying its content. The main intra-group activities, regulated at market prices, are developed through contractual relations that specifically concerned:

- management of investments;
- regulation of financial flows through centralized treasury and intra-group loans;
- sharing of general, administrative and legal services;
- assistance related to IT services;
- trade agreements.

In addition, there is a fiscal relationship between Orsero and nearly all of the Italian subsidiaries, following the option exercised for the national tax consolidation regime, governed by articles 117 et seq. of the TUIR, for the three-year period 2021-2023. Receivables and payables arising from such fiscal relationships are not interest-bearing.
It is noted that during FY 2021, no related party transactions were implemented other than those coming under the scope of the Company's ordinary business. Below is a summary of the items in the statement of financial position and income statement for transactions between the Company and its related parties in 2021. Transactions with the companies shown in the table are essentially of a commercial nature and relate to specific sectors of activity, while those with natural person related parties relate to existing employment relationships or to remuneration due in their capacity as Directors and Statutory Auditors, members of the Board of Directors of the Company.

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Thousands of euro	Related parties at December 31, 2021			
	Financial receivables	Trade receivables	Fiscal receivables	Other receivables
Subsidiaries				
AZ France S.A.S.	5,000	665	-	-
Bella Frutta S.A.	-	2,324	-	-
Cosiarma S.p.A.	-	41	-	-
Eurofrutas S.A.	600	9,863	-	-
Hermanos Fernandez	-	729	-	-
Fresco S.r.l.	-	13	137	-
Fruttital S.r.l.	13,712	611	1,714	-
Fruttital Firenze S.p.A.	-	1	29	-
Thor S.r.l.	138	8	9	-
GF Produzione S.r.l.	-	8	-	-
Gruppo Fruttica	-	-	22	-
Moncada Frutta S.r.l.	1,703	4	6	-
Orsero Progetto Italia S.r.l.	1,076	2	-	-
Orsero Servizi S.r.l.	1,468	41	13	-
Simba S.p.A.		68	-	-
Total exposure to subsidiaries	**23,698**	**14,378**	**1,929**	**-**
Related companies				
Nuova Beni immobiliari S.r.l.	-	61	-	-
Business Aviation*	-	62	-	-
Fif Holding S.p.A.	-	32	-	2
Argentina S.r.l. **	-	-	-	1
Total exposure to related companies	**-**	**155**	**-**	**2**
Total exposure to subsidiaries and related companies	**23,698**	**14,534**	**1,929**	**3**
Total Receivables	**40,200**	**40,200**	**40,200**	**40,200**
% Total Receivables	**58.95%**	**36.15%**	**4.80%**	**0.01%**

* Referred to the companies GF Aviation S.r.l., K-Air S.r.l.

** It should be noted that the item "Other current assets" includes euro 8,000 thousand of receivables due from Argentina S.r.l. entirely devalued.

Thousands of euro	Related parties at December 31, 2021				
	Financial payables	Trade payables	Fiscal payables	Other payables	Other payables
Subsidiaries					
Bella Frutta S.A.	-	1	-	-	-
Cosiarma S.p.A.	10,886	9	-	-	-
Fresco S.r.l.	2,392	7	28	-	-
Fruttital S.r.l.	-	63	230	-	-
Fruttital Firenze S.r.l.	3,256	6	-	-	-
Galandi S.p.A.	2,247	7	-	-	-
Thor S.r.l.	-	-	-	-	-
GF Produzione S.r.l.	1,508	13	6	-	-
Orsero Servizi S.r.l.	-	270	5	-	-
Orsero Progetto Italia S.r.l.	-	-	-	-	-
Simba S.p.A.	2,951	1	32	-	-
Total exposure to subsidiaries	**23,239**	**377**	**301**	**-**	**-**
Related companies					
Nuova Beni immobiliari S.r.l.	-	11	-	-	-
Business Aviation*	-	22	-	34	-
Related parties physical persons	-	-	-	-	1,534
Total exposure to related companies	**-**	**33**	**-**	**34**	**1,534**
Total exposure to subsidiaries and related companies	**23,239**	**411**	**301**	**34**	**1,534**
Total Payables	**24,781**	**24,781**	**24,781**	**24,781**	**3,484**
% Total Payables	**93.78%**	**1.66%**	**1.21%**	**0.14%**	**44.03%**

* Referred to the companies GF Aviation S.r.l., K-Air S.r.l.

Thousands of euro	Net sales	General and administrative expense	Other operating income/ expense **	Financial income	Financial expense and exchange rate differeces	Dividends received***
	Related parties at December 31, 2021					
Subsidiaries						
Az France S.A.	-	-	-	37	-	2,951
Bella Frutta S.A.	178	-	26	-	-	-
Cosiarma S.p.A.	480	-	-	-	(19)	6,785
Eurofrutas S.A.	-	-	-	4	-	-
Fresco S.r.l.	249	-	-	-	(7)	-
Fruttital S.r.l.	965	(99)	56	26	(0)	3,500
Fruttital Firenze S.r.l.	1	-	-	1	(6)	
Galandi S.r.l.	-	-	-	-	(6)	-
Thor S.r.l.	8	-	-	-	-	-
GF Produzione S.r.l.	8	-	-	-	(5)	-
Moncada Frutta S.r.l.	-	-	-	6	(0)	-
Orsero Servizi S.r.l.	39	(492)	-	6	-	-
Hermans Fernández López S.A.	-	-	-	-	-	3,000
Orsero Progetto Italia S.r.l.	-	-	-	2	(0)	-
Simba S.p.A.	127	-	-	31	(1)	-
Total exposure to Subsidiaries	**2,054**	**(591)**	**82**	**115**	**(44)**	**16,236**
Fruport Tarragona S.L.	-	-	-	-	-	707
Total exposure to Associates	**-**	**-**	**-**	**-**	**-**	**707**
Related companies						
Nuova Beni immobiliari S.r.l.	61	(11)	-	-	-	-
Fif Holding S.p.A.	9	-	-	-	-	-
Business Aviation*	5	-	-	-	-	-
Related parties physical persons	-	(2,936)	(1,232)	-	-	-
Total exposure to related companies	**75**	**(2,947)**	**(1,232)**	**-**	**-**	**-**
Total exposure to subsidiaries, associates and related companies	**2,129**	**(3,538)**	**(1,150)**	**115**	**(44)**	**16,943**
Income statement data	**2,129**	**(10,532)**	**(1,670)**	**221**	**(1,940)**	**16,943**
% of Income statement data	**100%**	**34%**	**69%**	**52%**	**2%**	**100%**

* Referred to the companies GF Aviation S.r.l., K-Air S.r.l.

** Included in Other operating income/expense

*** Included in Other investment income/expense

Receivables from related parties:

- Nuova Beni Immobiliari S.r.l.: Euro 61 thousand, all trade in nature and resulting in full from invoices to be issued.
- Business Aviation Sector Euro 62 thousand, trade receivables, of which Euro 5 thousand represented by invoices to be issued;
- FIF Holding S.p.A. Euro 34 thousand, trade receivables, of which Euro 10 thousand represented by invoices to be issued;
- Argentina S.r.l. Euro 1 thousand, trade.

Payables to related parties:

- Aviation business sector Euro 56 thousand trade receivables, of which Euro 34 thousand resulting from the sale of the sector during the year 2017 and Euro 22 thousand for trade.
- Nuova Beni Immobiliari S.r.l.: Euro 11 thousand, all trade in nature and resulting in full from invoices to be received.

- The amount due to natural person related parties relates to remuneration for the corporate bodies, employees and bonuses.

Revenues with respect to related parties consist of:

Consulting services:

- Business Aviation: Euro 5 thousand;
- Nuova Beni Immobiliari S.r.l.: Euro 61 thousand;
- FIF Holding S.p.A. Euro 9 thousand

Costs with respect to related parties consist of:

Ordinary operating costs:

- Nuova Beni Immobiliari S.r.l.: Euro 178 thousand, changed to Euro 11 thousand following the reclassification of office property lease payments in accordance with IFRS 16;
- Costs to related parties who are natural persons relate to remuneration paid to employees and directors or statutory auditors of the Company.

Other costs and expenses:

- Non-recurring costs include the portion of Top Management bonuses referring to natural person related parties.

Transactions with related parties are governed by specific contracts, the conditions of which are in line with those of the market.

NOTE 26. Share-based payments

As already pointed out in the previous report, the deferred LTI bonus for Top Management requires a special form of accounting which, in accordance with IFRS 2, breaks down the cost of the bonuses accrued in each year of the Plan on the basis of the "vesting period" of three years until 12-31-2022 for the bonus tranche accrued on condition that the beneficiary remains with the company as at January 1, 2023, and four years, for the bonus tranche accrued on condition that the beneficiary remains with the company as at January 1, 2024. As a result of this method of accounting, which causes the cost for the deferred bonus accrued in 2020 to be spread over the three and four years of the vesting period, that of 2021 over two and three years and that of 2022 over one and two years, there is a clear effect of accelerating the economic impact on the accounts for the three-year period 2020-2022, as well as differentiation regarding the amounts for the LTI deferred bonus, as indicated each year in the Remuneration Report.
With reference to the 2021 financial year, the incentives accrued by Top Management represent a cost of Euro 1,534 thousand divided into Euro 782 thousand for MBO (bonus component that will be paid following approval of the 2021 financial statements) and Euro 751 thousand for LTI (deferred bonus component, payable in two equal tranches in 2023 and 2024, subject to the condition that the beneficiaries remain in the company during the reference period, the "vesting period", and indexed to the performance of the Orsero share price).
Taking into account the mechanism described above, the cost of Top Management bonuses accrued in 2021, totaling Euro 1,533 thousand, includes:

- Euro 782 thousand for the MBO portion payable after approval of the 2021 financial statements;
- Euro 215 thousand for the portion of the 2021 LTI bonus payable in 2023;
- Euro 143 thousand for the portion of the 2021 LTI bonus payable in 2024;
- Euro 225 thousand for the portion of the 2020 LTI bonus payable in 2023;
- Euro 168 thousand for the portion of the 2020 LTI bonus payable in 2024.

It should be noted that for the 2020 LTI bonus the shares revaluation has already been taken into account, to the maximum extent of 40% provided for by the Plan, on the base bonus determined by the growth in the Orsero average share price equal, in the second half of 2021, to Euro 10.08, more than 1.6 times the average price in the second half of 2020, of Euro 6.08.

NOTE 27. Employees

The following table shows the number of employees as at December 31, 2021 2020.

	31.12.2021	31.12.2020	Change
Number of employees	39	37	2
Average number of employees	39	37	2

NOTE 28. Fees due to the Directors and the Board of Statutory Auditors

The following table details the remuneration for the members of Orsero's corporate bodies for the year.

Thousands of euro	31.12.2021	31.12.2020	Change
Board of Directors	454	343	111
Board of Statutory Auditors	74	100	(26)

The amount of "Board of Directors' Fees" includes Directors' remuneration from letters of appointment for Euro 300 thousand, emoluments for the remuneration of specific offices for Euro 85 thousand and social security and welfare contributions relative to the previous items for Euro 69 thousand.

NOTE 29. Guarantees provided, commitments and other contingent liabilities.

The guarantees provided by the Company are as follows:

Thousands of euro		2021	2020
Guarantees issued	**in favour of:**		
- To Bre for guarantees given on credit lines facilities	Fruttital S.r.l.	5,068	4,955
- To Carige for guarantees given on credit lines facilities	Fruttital S.r.l.	8	8
- To BPM for guarantees given on credit lines facilities	Fruttital S.r.l.	50	50
- To Carige for guarantees given on credit lines facilities	Simba S.p.A.	-	1,297
- To french banks for guarantees given on credit lines facilities	AZ France S.A.	3,330	2,150
- To french banks for credit guarantee on the Banca Monte Paschi account	AZ France S.A.	-	25
- To Intesa for guarantees given on credit lines facilities	Eurofrutas S.A.	-	-
- To Intesa for guarantees given on credit lines facilities	Bella Frutta S.A.	535	362
- To Eurobank for guarantees given on credit lines facilities	Bella Frutta S.A.	-	-
- To Core Fruit	Bella Frutta S.A.	300	300
- To Carige for guarantees given to Customs	Fresco S.r.l.	10	10
- To Ass.ni Generali for guarantees given on credit lines facilities	Fresco S.r.l.	1,100	1,100
- To AON for guarantees given on credit lines facilities	Fresco S.r.l.	2,460	2,460
- To Cover the ship captain's operations guarantee	Fresco S.r.l.	15	15
- To Banco Desio for guarantees to C.ie Frutiere	Simba S.p.A.	-	1,000
- To Credit Agricole for guarantee related to market stand Milan	Fruttital S.r.l.	80	-
- Pina Alegre/Ifis usd	Simba S.p.A.	575	-
- Vasquez/Ifis usd	Simba S.p.A.	575	-
Total guarantees		**14,106**	**13,732**

The table provides details on the main changes made with respect to December 31 of the previous year, essentially due to the different uses of current account overdrafts by Fruttital S.r.l. and Simba S.p.A. and the guarantees on facilities granted to AZ France S.A.S., as part of normal operations.

NOTE 30. Significant events after December 31, 2021

As of the date of this Report, there have been no significant events affecting the parent company Orsero, with the exception, as reported in the SDIR press release of January 25, of the purchase of a further 25,000 treasury shares, bringing the total number of treasury shares at the date of this Report to 327,514, for a value of Euro 2,846 thousand.
With reference to the most recent evolutions of the Covid-19 pandemic, the Group's management continues to follow and monitor developments in order to reduce risks for its personnel and maintain an efficient distribution logistics chain.
More than Covid-19, however, the management's attention is now focused on the evolution of the effects linked to rising prices, in particular energy prices, and the possible repercussions on the logistics chain as well as on the population's propensity to consume, originating not only from the post-pandemic economic recovery but also, and to an extent difficult to predict, from the serious conflict in Ukraine.

NOTE 31. Information on any contributions received

It is noted that the Parent Company has not benefited from the aids for which publication is mandatory in the National State Aid Register.

ANNEX 1. Information in accordance with Art. 149-duodecies of the Consob Issuers' Regulation

The table below, prepared in accordance with Art. 149-duodecies of the Consob Issuers' Regulation, shows the fees for 2021 for auditing and other non-auditing services provided by the independent auditing firm appointed or by companies belonging to its network.

Tyoe of services - Thousands of euro	Company that provided the service	Addressee	Fees for 2021
Audit (*)			
	Kpmg S.p.A.	Parent company	121
Other services			
Revisione contabile (*)	Kpmg S.p.A.	Parent company	3
Tax declaration	Kpmg S.p.A.	Parent company	3

(*) Includes the audit at December 31, 2021 and the limited review of the interim report as of June 30

ANNEX 2. Financial statements tables stated in accordance with Consob Resolution 15519/2006

Statement of financial position 2021 and 2020

Thousands of euro	31.12.2021	of which related parties				
		Subsidiaries	Associates	Related	Total	%
ASSETS						
Intangible assets other than Goodwill	143	-	-	-	-	-
Property, plant and equipment	4,594	-	-	-	-	-
Equity investments	167,818	158,336	9,481	-	167,817	100%
Non-current financial assets	35	-	-	-	-	-
Deferred tax assets	1,228	-	-	-	-	-
NON-CURRENT ASSETS	**173,818**	**158,336**	**9,481**	**-**	**167,817**	**97%**
Receivables	40,200	40,005	-	158	40,163	100%
Current tax assets	1,259	-	-	-	-	-
Other receivables and other current assets	342	-	-	-	-	-
Cash and cash equivalents	33,498	-	-	-	-	-
CURRENT ASSETS	**75,299**	**40,005**	-	**158**	**40,163**	**53%**
Non-current assets held for sale	-	-	-	-	-	-
TOTAL ASSETS	**249,117**	**198,341**	-	**158**	**207,980**	**83%**
Share Capital	69,163	-	-	-	-	-
Other Reserves and Retained Earnings	73,329	-	-	-	-	-
Profit/loss	7,011	-	-	-	-	-
EQUITY	**149,503**	**-**	**-**	**-**	**-**	**-**
LIABILITIES						
Financial liabilities	57,596	-	-	-	-	-
Provisions	123	-	-	-	-	-
Employees benefits liabilities	2,306	-	-	-	-	-
NON-CURRENT LIABILITIES	**60,025**	**-**	**-**	**-**	**-**	-
Financial liabilities	11,088	-	-	-	-	-
Payables	24,781	23,917	-	67	23,984	97%
Current tax liabilities	235	-	-	-	-	-
Other current liabilities	3,484	-	-	1,534	1,534	44%
CURRENT LIABILITIES	**39,589**	**23,917**	**-**	**1,601**	**25,518**	**64%**
Liabilities directly associated with non-current assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**249,117**	**23,917**	-	**1,601**	**25,518**	**10%**

Thousands of euro	31.12.2020	of which related parties				
		Subsidiaries	Associates	Related	Total	%
ASSETS						
Intangible assets other than Goodwill	151	-	-	-	-	-
Property, plant and equipment	2,783	-	-	-	-	-
Equity investments	160,719	158,559	2,159	-	160,718	100%
Non-current financial assets	37	-	-	-	-	-
Deferred tax assets	1,327	-	-	-	-	-
NON-CURRENT ASSETS	**165,017**	**158,559**	**2,159**	**-**	**160,718**	**97%**
Receivables	49,106	48,923	-	175	49,099	100%
Current tax assets	924	-	-	-	-	-
Other receivables and other current assets	374	-	-	-	-	-
Cash and cash equivalents	21,302	-	-	-	-	-
CURRENT ASSETS	**71,706**	**48,923**	-	**175**	**49,099**	**68%**
Non-current assets held for sale	-	-	-	-	-	-
TOTAL ASSETS	**236,723**	**207,482**	-	**175**	**209,816**	**89%**
Share Capital	69,163	-	-	-	-	-
Other Reserves and Retained Earnings	73,415	-	-	-	-	-
Profit/loss	5,012	-	-	-	-	-
EQUITY	**147,591**	**-**	**-**	**-**	**-**	**-**
LIABILITIES						
Financial liabilities	60,030	-	-	-	-	-
Provisions	520	-	-	-	-	-
Employees benefits liabilities	2,373	-	-	-	-	-
NON-CURRENT LIABILITIES	**62,923**	**-**	**-**	**-**	**-**	-
Financial liabilities	11,176	-	-	-	-	-
Payables	12,223	11,227	-	56	11,283	92%
Current tax liabilities	206	-	-	-	-	-
Other current liabilities	2,604	-	-	-	-	-
CURRENT LIABILITIES	**26,209**	**11,227**	**-**	**56**	**11,283**	**43%**
Liabilities directly associated with non-current assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**236,723**	**11,227**	-	**56**	**11,283**	**5%**

Income statement and Statement of comprehensive income 2021 and 2020

Thousands of euro	Year 2021	of which related parties				
		Subsidiaries	Associates	Related	Total	%
Net sales	2,129	2,054	-	75	**2,129**	100%
Cost of sales	-	-	-	-	**-**	
Gross profit	**2,129**	**-**	**-**	**-**	**-**	**-**
General and administrative expense	(10,532)	(591)	-	(2,947)	**(3,538)**	34%
Other operating income/expense	(1,671)	81	-	(1,232)	**(1,150)**	69%
- of which non-recurring operating income	150	82	-	-	**82**	55%
- of which non-recurring operating expense	*(2,000)*	-	-	*(1,232)*	***(1,232)***	62%
Operating result	**(10,074)**	**-**	**-**	**-**	**-**	**-**
Financial income	221	115	-	-	**115**	52%
Financial expense and exchange rate differences	(1,939)	(44)	-	-	**(44)**	2%
Other investment income/expense	16,936	16,236	707	-	**16,943**	100%
Profit/loss before tax	**5,145**	**-**	**-**	**-**	**-**	**-**
Income tax expense	1,866	-	-	-	**-**	-
Profit/loss from continuing operations	**7,011**	**-**	**-**	**-**	**-**	**-**
Profit/loss from discontinued operations	-	-	-	-	**-**	
Profit/loss	**7,011**	**-**	**-**	**-**	**-**	**-**

Thousands of euro	Year 2021	of which related parties				
		Subsidiaries	Associates	Related	Total	%
Profit/loss	**7,011**	**-**	**-**	**-**	**-**	**-**
Other comprehensive income that will not be reclassified to profit/loss, before tax	(45)	-	-	-	-	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	-	-	-	-	-	-
Other comprehensive income that will be reclassified to profit/loss, before tax	208	-	-	-	-	-
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	(50)	-	-	-	-	-
Comprehensive income	**7,124**	**-**	**-**	**-**	**-**	**-**

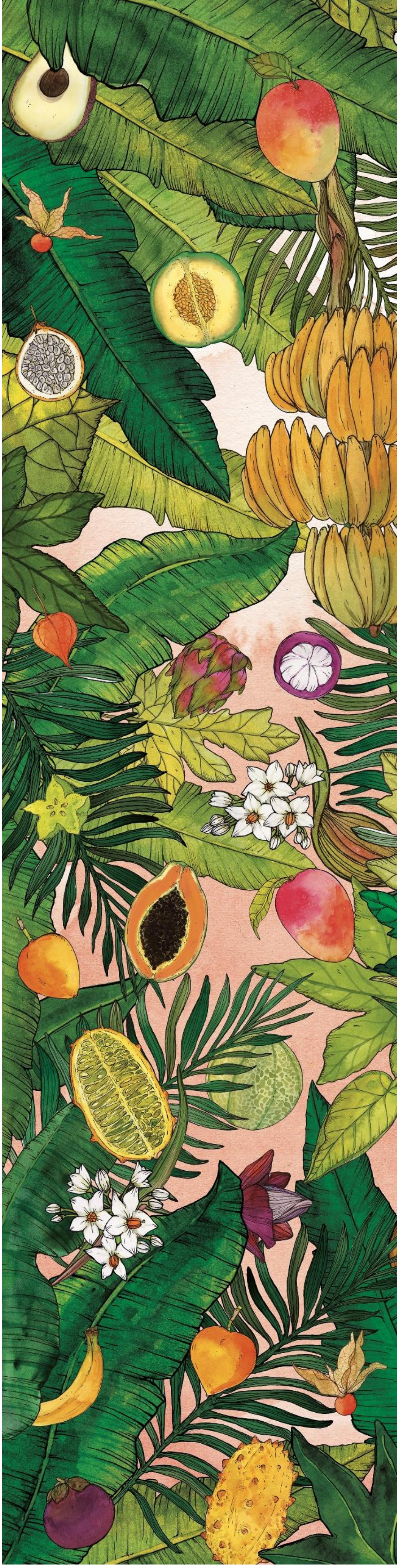
Thousands of euro	Year 2020	of which related parties				
		Subsidiaries	Associates	Related	Total	%
Net sales	1,928	1,841	-	86	**1,928**	100%
Cost of sales	-	-	-	-	**-**	
Gross profit	**1,928**	**-**	**-**	**-**	**-**	**-**
General and administrative expense	(9,026)	(435)	-	-	**(435)**	5%
Other operating income/expense	(1,086)	(1)	-	-	**(1)**	-
- of which non-recurring operating income	-	-	-		**-**	-
- of which non-recurring operating expense	*(979)*	*(1)*	-	-	***(1)***	-
Operating result	**(8,184)**	**-**	**-**	**-**	**-**	**-**
Financial income	189	163	-	-	**163**	86%
Financial expense and exchange rate differences	(2,183)	(44)	-	-	**(44)**	2%
Other investment income/expense	13,053	12,400	653	-	**13,053**	100%
Profit/loss before tax	**2,875**	**-**	**-**	**-**	**-**	**-**
Income tax expense	2,138	-	-	-	**-**	-
Profit/loss from continuing operations	**5,012**	**-**	**-**	**-**	**-**	**-**
Profit/loss from discontinued operations	-	-	-	-	**-**	
Profit/loss	**5,012**	**-**	**-**	**-**	**-**	**-**

Thousands of euro	Year 2020	of which related parties				
		Subsidiaries	Associates	Related	Total	%
Profit/loss	**5,012**	**-**	**-**	**-**	**-**	**-**
Other comprehensive income that will not be reclassified to profit/loss, before tax	(410)	-	-	-	-	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	99	-	-	-	-	-
Other comprehensive income that will be reclassified to profit/loss, before tax	39	-	-	-	-	-
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	(9)	-	-	-	-	-
Comprehensive income	**4,730**	**-**	**-**	**-**	**-**	**-**

Cash flow statement 2021 and 2020

Thousands of euro	Year 2021	of which related parties			
		Subsidiaries	Associates	Related	Total
A. Cash flows from operating activities (indirect method)					
Profit/loss	**7,011**				
Adjustments for income tax expense	(1,866)	-	-	-	**-**
Adjustments for interest income/expense	1,939	(71)	-	-	**(71)**
Adjustments for dividends	(16,936)	(16,236)	(707)	-	**(16,943)**
Adjustments for depreciation/amortisation expense and impairment loss	567	-	-	-	**-**
Change in receivables	8,905	8,917	-	17	**8,935**
Change in payables	12,558	12,691	-	11	**12,702**
Change in other receivables/asstes and in other liabilities	1,795	-	-	-	**-**
Interest received/(paid)	(1,726)	71	-	-	**71**
(Income taxes paid)	-	-	-	-	**-**
Dividends received	16,936	16,236	707	-	**16,943**
Cash flow from operating activities (A)	**29,184**				
B. Cash flows from investing activities					
Purchase of property, plant and equipment	(2,356)	(39)	-	(110)	**(149)**
Proceeds from sales of property, plant and equipment	44	42	-	-	**42**
Purchase of intangible assets	(58)	-	-	-	-
Proceeds from sales of intangible assets	-	-	-	-	-
Purchase of interests in equity investments	(7,322)	(7,322)	-	-	**(7,322)**
Proceeds from sales of equity investments	223	223	-	-	**223**
Purchase of other non current assets	-	-	-	-	-
Proceeds from sales of other non current assets	101	-	-	-	-
(Acquisitions)/disposal of investments in controlled companies, net of cash	-	-	-	-	-
Cash Flow from investing activities (B)	**(9,368)**				
C. Cash Flow from financing activities					
Increase/decrease of financial liabilities	(968)	-	-	-	-
Drawdown of new long-term loans	9,462	-	-	-	-
Pay back of long-term loans	(11,016)	-	-	-	-
Capital increase and other changes in increase/decrease	38	-	-	-	-
Disposal/purchase of treasury shares	(1,631)	-	-	-	-
Dividends paid	(3,506)	-	-	-	-
Cash Flow from financing activities (C)	**(7,620)**				
Increase/decrease in cash and cash equivalent (A ± B ± C)	**12,195**				
Cash and cash equivalent at 1° January 21-20	**21,302**				
Cash and Cash equivalent at 31 December 21-20	**33,498**				

Thousands of euro	Year 2020	of which related parties			
		Subsidiaries	Associates	Related	Total
A. Cash flows from operating activities (indirect method)					
Profit/loss	**5,012**				
Adjustments for income tax expense	(2,138)	-	-	-	-
Adjustments for interest income/expense	1,994	(123)	-	-	**(123)**
Adjustments for dividends	(13,053)	(12,400)	(653)	-	**(13,053)**
Adjustments for depreciation/amortisation expense and impairment loss	504	-	-	-	-
Change in receivables	(11,249)	(11,249)	-	(1)	**(11,250)**
Change in payables	2,339	3,545	-	(43)	**3,503**
Change in other receivables/asstes and in other liabilities	5,357	-	-	-	-
Interest received/(paid)	(1,742)	123	-	-	**123**
(Income taxes paid)	-	-	-	-	-
Dividends received	13,053	12,400	653	-	**13,053**
Cash flow from operating activities (A)	**78**				
B. Cash flows from investing activities					
Purchase of property, plant and equipment	(556)	(29)	-	(35)	**(65)**
Proceeds from sales of property, plant and equipment	72	-	-	-	-
Purchase of intangible assets	(27)	-	-	-	-
Proceeds from sales of intangible assets	-	-	-	-	-
Purchase of interests in equity investments	(1,458)	(1,458)	-	-	**(1,458)**
Proceeds from sales of equity investments	6,433	6,433	-	-	**6,433**
Purchase of other non current assets	-	-	-	-	-
Proceeds from sales of other non current assets	668	-	-	-	-
(Acquisitions)/disposal of investments in controlled companies, net of cash	-	-	-	-	-
Cash Flow from investing activities (B)	**5,131**				
C. Cash Flow from financing activities					
Increase/decrease of financial liabilities	(293)	-	-	-	-
Drawdown of new long-term loans	737	-	-	-	-
Pay back of long-term loans	(10,934)	-	-	-	-
Capital increase and other changes in increase/decrease	707	-	-	-	-
Disposal/purchase of treasury shares	(851)	-	-	-	-
Dividends paid	-	-	-	-	-
Cash Flow from financing activities (C)	**(10,635)**				
Increase/decrease in cash and cash equivalent (A ± B ± C)	**(5,426)**				
Cash and cash equivalent at 1° January 20-19	**26,728**				
Cash and Cash equivalent at 31 December 20-19	**21,302**				



Independent Auditor’s Report

KPMG

(Translation from the Italian original which remains the definitive version)

Orsero S.p.A.

Separate financial statements as at and for the year ended 31 December 2021

(with independent auditors' report thereon)

KPMG S.p.A.
29 March 2022

KPMG

KPMG S.p.A.
Revisione e organizzazione contabile
Piazza della Vittoria, 15 int. 11
16121 GENOVA GE
Telefono +39 010 564992
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Orsero S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Orsero S.p.A. (the "Company"), which comprise the statement of financial position as at 31 December 2021, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Orsero S.p.A. as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of Orsero S.p.A. in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. 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 the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of equity investments

Notes to the separate financial statements: section "Valuation criteria" and note 3 – Investments

Key audit matter	Audit procedures addressing the key audit matter
The carrying amount of equity investments at 31 December 2021 is of €167.8 million. The main equity investments included in the financial statements at 31 December 2021 are related to the following subsidiaries: — Hermanos Fernandez Lopez SA for €41.2 million; — Cosiarma S.p.A. for €31.8 million; — Fruttital Firenze S.r.l. for €22.8 million; — AZ France S.A. for €21.5 million; — Fruttital S.r.l. for €15.5 million; — Simba S.p.A. for €9.8 million. Investments in subsidiaries are accounted for at cost and adjusted for any impairment loss. In line with the procedure approved by the Orsero S.p.A.'s board of directors on 9 March 2022, when they identify indicators of impairment, or at least annually, the directors test these equity investments for impairment, checking their recoverability by comparing their carrying amounts with their related recoverable amounts. The recoverable amount is estimated based on the value in use, calculated using the discounted cash flow model by discounting the cash flows that are expected to be generated by the company or by the cash-generating units (CGU) to which it belongs for the three-year period 2022-2024. The expected operating cash flows were estimated on the basis of the 2022 budget, approved by the Board of Directors on 1 February 2022.The expected operating cash flows for the years 2023 and 2024 and for the terminal value have been determined on the basis of the operating result of year 2022. For the investment held in Cosiarma	Our audit procedures, which also involved our own specialists, included: — updating our understanding of the process adopted to prepare the impairment tests and the forecasts set out in the update to the 2022-2024 plan; — checking any discrepancies between the previous year forecast and actual figures, in order to understand the accuracy of the estimation process; — analysing the reasonableness of the key assumptions used by the directors to determine the operating cash flows and the valuation models adopted; — checking the consistency of the expected cash flows used for impairment testing with those used for the forecasts and analysing the reasonableness of any discrepancies; — checking the sensitivity analysis presented in the notes to the consolidated financial statements in relation to the key assumptions used for impairment testing; — assessing the appropriateness of the disclosures provided in the notes about the measurement of equity investments and the related impairment tests.

Key audit matter	Audit procedures addressing the key audit matter
S.p.A., it has been considered the operating cash flows for a period consistent with the Expected useful lives of the ships (year 2024), estimated on the basis of the actual results over the years 2020 and 2021 and of the 2022 budget. Impairment testing is complex and entails a high level of judgement, especially in relation to: — the expected operating cash flows, calculated by taking into account the general economic performance and that of the Group's sector, the actual cash flows for recent years and the projected growth rates; — the financial parameters used to calculate the discount rate. For the above reasons, we believe that the measurement of the equity investments is a key audit matter.	

Responsibilities of the Company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian 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 for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;

— obtain 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;

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

— conclude 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 auditors' report to the related disclosures in the separate 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;

— evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate 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 determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 24 April 2019, the shareholders of Orsero S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2019 to 31 December 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

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

The directors of Orsero S.p.A. are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with the Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements have been prepared in the XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The directors of Orsero S.p.A. are responsible for the preparation of the directors' report and the report on corporate governance and ownership at 31 December 2021 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership indicated by article 123-bis.4 of Legislative decree no. 58/98 with the Company's separate financial statements at 31 December 2021 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership referred to above are consistent with the Company's separate financial statements at 31 December 2021 and have been prepared in compliance with the applicable law.

Orsero S.p.A.
Independent auditors' report
31 December 2021

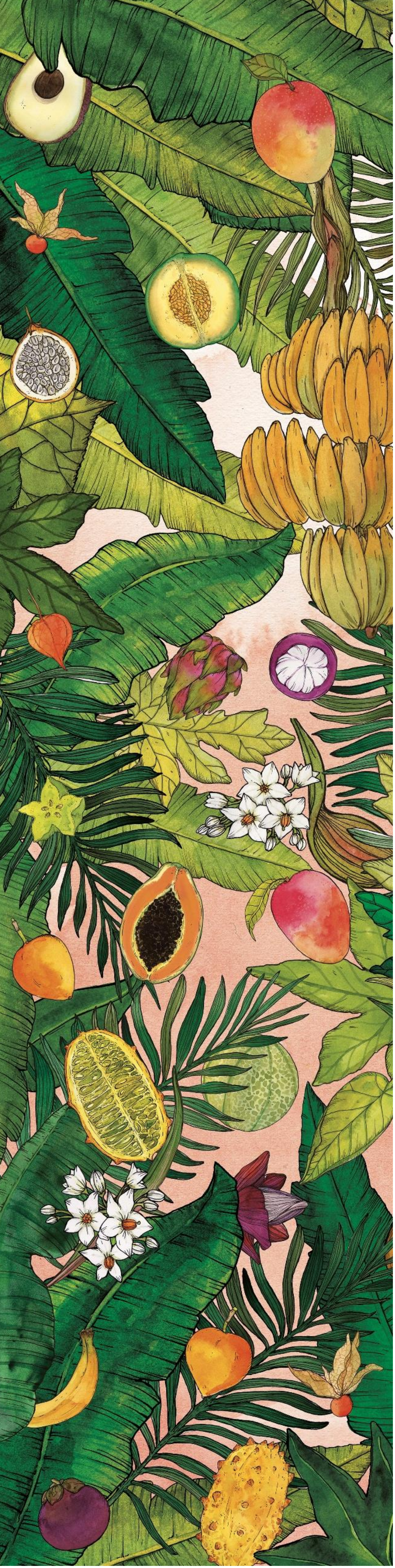
With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Genoa, 29 March 2022

KPMG S.p.A.

(signed on the original)

Matteo Pastore
Director of Audit



Board of Statutory Auditors' Report

ORSERO S.p.A.

Share Capital Euro 69,163,340.00 fully paid-in

Registered office in Milan, Corso Venezia 37

Milan Register of Companies and Tax ID 09160710969

REA 2072677

***

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING

In accordance with Art. 153 of Italian Legislative Decree no. 58/1998 and with Art. 2429, paragraph 2 of the Italian Civil Code

Shareholders,

This report, drawn up in accordance with Art. 153 of Italian Legislative Decree no. 58/1998 (hereinafter also referred to as the "Consolidated Law on Finance") and Article 2429, paragraph 2, of the Italian Civil Code, reports on the activities carried out by the Board of Statutory Auditors (the "Board") of Orsero S.p.A. ("Orsero" or the "Company") during the year ended December 31, 2021.

During the 2021 financial year, the Board of Statutory Auditors carried out its institutional duties in compliance with the Italian Civil Code, Italian Legislative Decree no. 58/1998, the provisions of the Articles of Association and those issued by the Authorities exercising supervisory and control activities, also taking into account the rules of conduct recommended by the Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili (National Board of Chartered Accountants and Expert Tax Advisors).

The Board of Statutory Auditors also complied with the regulations applicable to Public

Interest Entities by performing the additional specific control and monitoring functions on the subject of financial reporting and external auditing, as well as on the subject of non-financial reporting pursuant to Italian Legislative Decree no. 254/2016 as amended.

On March 9, 2021, and subsequently on February 1, 2022, the Board of Statutory Auditors verified, with a positive outcome, for each Board member, the process of self-assessment of the requirements for holding the office based on the criteria established by the regulations set forth in Article 148 of the Consolidated Law on Finance, Recommendation no. 9 of the Corporate Governance Code approved by the Corporate Governance Committee in January 2020 and Rule Q.1.1. of the "Rules of Conduct for the Board of Statutory Auditors of Listed Companies".

The Board of Statutory Auditors hereby gives an account of the activities carried out during the 2021 financial year and provides the appropriate information below, in line with the provisions governing the matter.

1. Supervision of compliance with the law, regulations and articles of association

The Board of Statutory Auditors carried out the activities for which it was responsible, holding 11 meetings in 2021.

In addition, the Board of Statutory Auditors attended all 8 meetings of the Board of Directors and:

- 5 meetings of the Control and Risks Committee;
- 3 meetings of the Related Party Transactions Committee;
- 3 meetings of the Remuneration and Appointments Committee.

As part of its control activities, the Board of Statutory Auditors, among other things:

- monitored compliance with the law, the articles of association and sector regulations, also with reference to obligations concerning regulated or privileged information or information requested by the Supervisory Authorities;

- supervised compliance with the principles of proper administration, as well as the functioning and adequacy of the Company's organizational structure, internal control and administrative-accounting systems by collecting data and information from the heads of the main corporate functions involved, the Director appointed for the internal control and risk management system, the Corporate Accounting Reporting Officer and the company appointed to audit the accounts, KPMG S.p.A;
- supervised the adequacy of the Company's control functions;
- supervised the procedures for the concrete implementation of the Corporate Governance Code for Listed Companies, which the Company has adopted;
- verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the various requirements for Directors and Statutory Auditors;
- carried out its own checks on the internal control system, relying on the presence of the Head of Internal Audit at some of the board meetings;
- monitored compliance with the Procedure approved by the Board of Directors regarding transactions with related parties, as well as compliance with the procedure itself;
- met with the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001;
- met with the Board of Statutory Auditors of the main Group companies, discussing, among other things, the methods for exchanging information flows and acknowledging the activities carried out;
- supervised the adoption of remuneration policies and the remuneration paid;
- held meetings and obtained information, including through participation in board Committee meetings, from the Director appointed for the internal control and risk

management system and the Corporate Accounting Reporting Officer.

With regard to the provisions of Art. 2408 of the Italian Civil Code, the Board of Statutory Auditors informs the Shareholders' Meeting that during 2021 no reports of objectionable facts were received from the Shareholders.

To the best of the Board's knowledge, there were no instances during the year of violation of the duties of the Directors as set forth in Articles 2406 and 2409 of the Italian Civil Code.

2. Compliance with the principles of proper administration and relations with related parties

The Board of Statutory Auditors monitored the Company's compliance with the law and the Articles of Association and its adherence to the principles of sound management, particularly with regard to transactions that had a material impact on the Company's income statement, balance sheet and financial position, by attending meetings of the Board of Directors on an ongoing basis and reviewing the documents provided.

In this regard, the Board of Statutory Auditors has received information from the Chief Executive Officers and the Board of Directors on the activities carried out and on the most important economic, financial and capital operations undertaken by the Company and the Group; this information is adequately represented in the Financial Report.

On the basis of the information made available, the Board of Statutory Auditors believes that these transactions can be considered compliant with the law, the Company's Articles of Association and the principles of proper administration and that they do not appear to be manifestly imprudent, risky or in contrast with the resolutions passed by the Shareholders' Meeting, nor such as to compromise the integrity of the Company's assets.

2.1 Major events

In relation to the most significant economic, financial and capital transactions carried out by the Company and the Group during the 2021 financial year and, more generally, with regard to the most significant events, the Board of Statutory Auditors reports the following:

- the Covid-19 pandemic, given the nature of the Group's activities linked to the marketing of essential foodstuffs, did not have any particularly negative effects on the company's results. The absence of a significant impact on the Group's accounts has not called into question the assumption that the Group can continue as a going concern, nor has it led to a deterioration in future economic prospects with consequent impact on the Group's assets. In 2021, Group companies continued to implement safety protocols outlined by the relevant authorities to reduce the health hazard of contagion;
- management has constantly monitored the evolution of the effects linked to price rises, especially energy prices, procurement difficulties and possible repercussions on the logistics chain.

  With reference to the economic outlook, there is uncertainty linked to developments in Ukraine, the trend in inflation and its possible negative impact on final consumption. This uncertainty is, however, mitigated by the nature of the Group's business linked to basic foodstuffs and the availability of its own fleet, which can benefit positively from increases in freight charges to third-party customers;
- a 50% stake in Agricola Azzurra S.r.l., a company specializing in the wholesale distribution of fruit and vegetables of Italian origin, was purchased on October 4, 2021. With this initiative, the Group intends to develop its presence in this sector, aiming to achieve, together with the partner in this operation, a leading position in

the marketing of Italian agricultural products in Italy. The consideration for the acquisition amounted to Euro 7,322 thousand. By the end of 2022, the final value of the acquisition may be subject to adjustment up to a maximum of Euro 3,212 thousand;

- on July 13, 2021, the deed was drawn up for the sale of the warehouse owned by Fruttital S.r.l. located in Milan for an amount of Euro 4.2 million, realizing a gross capital gain of Euro 1.5 million;
- at the end of 2021, Cosiarma S.p.A. finalized a two-year charter (for the years 2022 and 2023), in place of the previous annual contracts, of the fifth ship used by the same for the transportation of fruit on the Central American/Mediterranean routes. Pursuant to IFRS 16, this entailed recognition of the *right of use* value of the asset, substantially equal to the rental fees for the two-year period, and the corresponding financial payable, amounting to Euro 9.9 million.

It should be noted that the increase in the NFP 2021 will correspond to an equally significant increase compared to the past in the Adjusted EBITDA for the years 2022 and 2023 of Euro 5 million on an annual basis, as the cost of chartering the ship will be replaced by higher depreciation and financial expenses, without however generating any significant effect on the net result for the year;

- in pursuit of the Group's philosophy of avoiding food waste, a partnership was signed with the European Food Banks Federation (FEBA) and the non-profit Banco Alimentare Foundation, to recover food that is still good and redistribute it to charitable organizations. Surplus fruit and vegetables from warehouses in Italy, Spain, France, Greece and Portugal which are no longer marketable for reasons other than their edibility, are collected and distributed by the Food Banks of each country to their network of charitable organizations;

- with the aim of continuing to grow and create value in accordance with criteria of greater responsibility, reducing the environmental and social impacts of its activities, in 2021, the Group decided to define a medium and long-term Strategic Sustainability Plan identifying the following four macro-areas in which to operate:
  - developing responsible supply chains,
  - reducing our impact on the planet,
  - promoting healthy and sustainable nutrition,
  - recognizing the value of people.

  The Strategic Plan was approved by the Board of Directors of Orsero S.p.A.

The above transactions and events have been adequately described in the 2021 Financial Report, to which reference should be made for further details.

With reference to the Consob recommendations of March 18, 2022 regarding the effects of the conflict in Ukraine to be disclosed in the financial statements, the Control Body believes that the information contained in the Company's Financial Report is substantially in line with the requirements therein, although it was approved by the Board of Directors at an earlier date.

2.2 Transactions with associated and related parties Atypical and/or unusual transactions

The Company has a "*Procedure for transactions with related parties"*, in compliance with the provisions of Consob Regulation no. 17221/2010 as amended, Article 2391-bis of the Italian Civil Code and Articles 113-ter, 114, 115 and 154-ter of the Consolidated Law on Finance.

This Procedure was first approved, in view of the listing, by the Board of Directors of the

Company by resolution of December 5, 2019, and lastly amended by board resolution of May 12, 2021, in order to comply with the intervening regulatory amendments adopted by Consob Resolution no. 21624/2020 and in implementation of the so-called "*Shareholders' Right Directive II*".

The Board of Statutory Auditors believes that the above-mentioned procedure complies with the above-mentioned provisions; during the year, the Board of Statutory Auditors monitored their compliance.

The 2021 Financial Report shows the transactions with associated and related parties. In 2021, no transactions with associated and related parties were implemented other than those that are part of the Group's ordinary course of business.

The Board of Statutory Auditors has assessed as adequate the information provided by the Board of Directors in the 2021 Annual Financial Report regarding transactions with associated and related parties.

To the best of our knowledge, no atypical and/or unusual transactions were carried out during the 2021 financial year.

3. Supervision of the adequacy of the organizational structure

The organizational structure of the Company and the Group and the related developments are described in detail in the Report on Corporate Governance and Ownership Structure, which was prepared with reference to the "*Format for the Report on Corporate Governance and Ownership Structure*" issued by Borsa Italiana in January 2022.

The Company's organizational structure covers the tasks and responsibilities of the corporate functions, the hierarchical and functional relationships between them and the related coordination mechanisms.

The Board of Statutory Auditors oversaw the adequacy of the overall organizational structure of the Company and the Group and also monitored the process of assigning powers.

The Board of Statutory Auditors monitored the adequacy of the instructions issued by the Company to its subsidiaries in order to promptly obtain the information needed to comply with statutory reporting requirements.

On March 9, 2021, September 13, 2021, and March 10, 2022, the Board of Statutory Auditors met with the Supervisory Body set up pursuant to Italian Legislative Decree 231/2001, which is responsible for overseeing the update, functioning of and compliance with the Organization, Management and Control Model and the Code of Ethics, and was informed about the activities it had carried out, as also set forth in the Supervisory Body's Annual Report presented at the Board of Directors' meeting on March 15, 2022.

As a result of its activities, the Supervisory Body did not report any critical issues.

On March 9, 2021 and March 10, 2022, the Board of Statutory Auditors met with representatives of the Boards of Statutory Auditors of the main Italian subsidiaries (Fruttital S.r.l., S.i.m.b.a. S.p.A. and Cosiarma S.p.A.); no matters worthy of mention in this Report emerged from these meetings.

4. Supervision of the adequacy of the internal control and risk management system and of the administrative and accounting system; monitoring of the financial and non-financial reporting process

4.1 Internal control and risk management system

The Report on Corporate Governance and Ownership Structures describes the main features of the internal control and risk management system.

The Board of Statutory Auditors monitored the adequacy of the internal control and risk management system adopted by the Company and the entire Group, verifying that it was functioning effectively. In particular, the Board of Statutory Auditors has:

i) acknowledged the evolution of the Group's internal control system;

ii) having acknowledged the evaluation of the adequacy of the internal control and risk management system, expressed by the Board of Directors, after obtaining the opinion of the Control and Risks Committee; in this regard, reference should be made to the Report on Corporate Governance and Ownership Structures;

iii) acquired knowledge of the evolution of the organizational structure and the activities undertaken by the Internal Audit Department, verifying its autonomy and functionality, also by means of a constant and adequate flow of information;

iv) examined the Audit Plan prepared by the Internal Audit Department (also with reference to the risks linked to the Covid-19 emergency) and approved by the Board of Directors, observed compliance with it, the results of the audits and the effective implementation of the risk mitigation initiatives;

v) attended all the meetings of the Control and Risks Committee, also acquiring information concerning the initiatives that the Committee deemed it appropriate to promote or request in relation to specific issues;

In the light of all of the above, no elements have emerged that could lead the Board of Statutory Auditors to consider that the internal control and risk management system of the Company and the Group as a whole is not adequate.

4.2 Administrative and accounting system and financial reporting process

With regard to the administrative and accounting system and the financial reporting process, the Board of Statutory Auditors monitored, among other things, the activities carried out by management, including the activities of the Director appointed for the internal control and risk management system, the Corporate Accounting Reporting Officer, as well as the activities carried out by the Internal Audit Department, in order to assess, on an ongoing basis, their adequacy and actual functioning.

The Report on Corporate Governance and Ownership Structures describes the main features of the system.

Exchanges with the managers of the independent auditors KPMG S.p.A. of data and information relevant to the performance of their respective duties did not reveal any aspects that should be highlighted in this report.

The Board of Statutory Auditors examined the Additional Report prepared by the Independent Auditors pursuant to Article 11 of EU Regulation 537/2014 and found that it did not reveal any significant deficiencies in the internal control system in relation to the financial reporting process. The contents of the report were discussed and expanded upon during the periodic exchanges of information between the Board of Statutory Auditors and the Independent Auditors.

The Board of Statutory Auditors notes that the company has prepared the Annual Financial Report in XHTML format and tagged the significant items of the consolidated accounts in accordance with European Commission Delegated Regulation No. 2019/815 (ESEF Regulation).

4.3 Non-financial reporting process

The Board of Statutory Auditors recalls that, pursuant to Italian Legislative Decree no. 254/2016, as amended, as well as the related implementing regulation issued by Consob with resolution no. 20267/2018, the Company is required to prepare and publish the Consolidated Non-Financial Statement (“NFS” or “Sustainability Report”).

Pursuant to Article 4 of Italian Legislative Decree no. 254/2016, the NFS provides non-financial information regarding the Company and its subsidiaries “*to the extent necessary to ensure an understanding of the group's business, its performance, its results and the impact it generates*”.

The NFS also includes the information set out in Article 8 of European Commission Delegated Regulation (EU) 2021/2178 (Taxonomy Regulation). Specifically, the Company has mapped potentially "eligible" economic activities, i.e. activities that contribute substantially to climate change mitigation or adaptation and meet the criteria in the Environmental Objectives Regulation. With reference to the eligible activities, also reported are the three quantitative indicators of economic performance (KPI).

As provided for in Article 3, paragraph 7, of Legislative Decree no. 254/2016, the Board of Statutory Auditors, as part of the performance of the functions assigned to it by the regulations, supervised compliance with the rules governing the preparation of the NFS, as well as the adequacy of the organizational, administrative and reporting and control system to the correct and complete representation in the NFS of the business activity, its results and its impacts with regard to non-financial issues. This form of control has also been extended to information pursuant to art. 8 of the Taxonomy Regulation.

The Board of Statutory Auditors acknowledges that in 2021, the Company implemented the IT platform related to the collection and consolidation of non-financial data and that on February 1, 2022, the Company's Board of Directors approved the first Strategic Sustainability Plan, which also contains the medium-long term objectives for the creation of a sustainable food system.

The Board of Directors approved the NFS on March 15, 2022; it was prepared in accordance with Italian Legislative Decree 254/2016 and taking into account the GRI-Global Reporting Initiative international reporting standards.

The Board met with the Representatives of the Independent Auditors Deloitte & Touche S.p.A. appointed to carry out the limited examination ("limited assurance engagement") of the consolidated non-financial statement of Orsero S.p.A. and its subsidiaries and acknowledged that the Independent Auditors issued, on March 29, 2022, the Report pursuant to art. 3, paragraph 10, Legislative Decree no. 254/2016 and art. 5 Consob Regulation adopted by Resolution no. 20267/2018.

As part of said report, Deloitte & Touche S.p.A. attested that, on the basis of the work carried out, no elements have come to its attention that would suggest that the NFS was not prepared, in all significant aspects, in compliance with the reference standards and reporting standards used.

The Board of Statutory Auditors in turn observes that, as a result of the work it performed, nothing was brought to its attention which would indicate that the NFS did not comply with the regulations governing its preparation.

5. Supervision of external auditing activities

5.1 External Auditing

In accordance with the provisions of Art. 19 of Italian Legislative Decree no. 39/2010, the Board of Statutory Auditors carried out the prescribed supervisory activity on the operations of the Independent Auditors.

The Board of Statutory Auditors has met several times with the independent auditors KPMG S.p.A., also pursuant to Art. 150 of the Consolidated Law on Finance, in order to exchange information about their activities. During these meetings, the Independent Auditors did not highlight any facts deemed censurable or irregularities such as to require reporting pursuant to Article 155, paragraph 2, of the Consolidated Law on Finance.

On March 29, 2022, the Independent Auditors issued, pursuant to Article 14 of Italian Legislative Decree no. 39/2010 and Article 10 of EU Regulation 537/2014, the Audit Reports on the separate and consolidated financial statements for the year ended, December 31, 2021.

With respect to the opinions and attestations, the Independent Auditors in their Audit

Report have:

- issued an opinion indicating that the financial statements and the consolidated financial statements of Orsero S.p.A. provide a true and fair view of the financial position of the Company and the Group as at December 31, 2021, of the results of their operations and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) of the European Union, as well as with the measures issued in implementation of Art 9 of Italian Legislative Decree 38/2005;
- declared that the separate Financial Statements have been reported in the XHTML format in compliance with the provisions of Delegated Regulation (EU) 2019/815;
- declared that the Consolidated Financial Statements have been prepared in the XHTML format, and tagged in all significant items in compliance with the provisions of the Delegated Regulation EU 2019/815;
- issued a consistency opinion attesting that the Report on Operations accompanying the Separate and Consolidated Financial Statements as at December 31, 2021 and certain specific information contained in the "Report on Corporate Governance and Ownership Structures" set forth in Article 123-bis, paragraph 4, of the Consolidated Law on Finance, the provision of which the Company Directors are responsible for, are consistent with the Separate and Consolidated Financial Statements of Orsero as of December 31, 2021 and have been prepared in compliance with the law;
- declared, with regard to any significant errors in the Report on Operations, on the basis of the knowledge and understanding of the company and the relative context acquired during the course of the audit, that it has nothing to report;

On the basis of the information gathered by the Control and Risks Committee, the Corporate Accounting Reporting Officer and the Director appointed for the internal control and risk management system, as well as the Representatives of the Independent

Auditors, the Board of Statutory Auditors has no observations to make regarding the proper use of the accounting standards and the uniformity of their use for the preparation of the Separate and Consolidated Financial Statements as at December 31, 2021.

On March 29, 2022, the Independent Auditors also issued to the Board of Statutory Auditors the Additional Report required by Article 11 of Regulation (EU) No. 537/2014. Attached to such Report, the Independent Auditors submitted to the Board of Statutory Auditors the declaration relating to their independence, as required by Article 6 of Regulation (EU) No. 537/2014, indicating no situations that could compromise the independence thereof. In compliance with the provisions of Art. 19, paragraph 1, letter a) of Italian Legislative Decree 39/2010, the Board of Statutory Auditors promptly transmitted the Additional Report to the Board of Directors, without comment.

5.2 Activities of the Board of Statutory Auditors with regard to non-audit services

During the 2021 financial year, in compliance with the provisions of Article 19, paragraph 1, letter e) of Italian Legislative Decree 39/2010 and Article 5, par. 4, of EU Regulation 537/2014, the Board of Statutory Auditors examined the activities of non-audit services carried out by the Independent Auditors.

As part of its assessments, the Board of Statutory Auditors verified both the compatibility of said activities with the prohibitions set forth in Article 5 of EU Regulation 537/2014, and the absence of potential risks to the independence of the auditor arising from the performance of said services in light of the provisions contained in Italian Legislative Decree 39/2010 (Arts. 10 et seq.), in the Issuers' Regulation (Arts. 149-*bis* et seq.) and in Auditing Principle no. 100.

The fees for non-audit services provided to the Company and its subsidiaries by the Independent Auditors are specified in Annex 1 "Information in accordance with Art. 149-

duodecies of the Consob Issuers' Regulation" of the notes to the Separate and Consolidated Financial Statements, to which reference should be made.

6. Adherence to the Corporate Governance Code, Composition of the Board of Directors and Remuneration

The Board of Statutory Auditors assessed the manner in which the Company adopted and implemented the Corporate Governance Code promoted by Borsa Italiana, as currently in force, and has no observations to make in this regard.

The Board of Statutory Auditors acknowledges that the Board of Directors has carried out an assessment of the functioning, size and composition of the Board of Directors and the Board Committees, in accordance with the provisions of Article 4 of the Corporate Governance Code. The assessment process is described in the Report on Corporate Governance and Ownership Structures.

The process and results of the Board's self-assessment activity, shared with the Remuneration and Appointments Committee, were presented, shared and discussed at the Board meeting on March 9, 2022, which the Board of Statutory Auditors attended.

The Board of Statutory Auditors verified the proper application of the criteria and the process implemented by the Board of Directors to assess the independence of Directors qualified as "independent".

Similarly, on March 9, 2021 and subsequently on February 1, 2022, the Board of Statutory Auditors ascertained the fulfillment of its independence requirements and also carried out a self-assessment activity regarding the composition and functioning of the Control Body, transmitting the results to the Company.

The Board of Statutory Auditors has verified, through its participation in the meetings of the Remuneration and Appointments Committee and the Board of Directors, the

Company processes that led to the definition of the Company's remuneration policies, particularly with reference to the remuneration and incentive criteria for the managers of Company departments.

7. Omissions or objectionable facts, opinions rendered and initiatives undertaken

During the year, no complaints pursuant to Article 2408 of the Italian Civil Code or reports of irregularities were received.

The Board of Statutory Auditors expressed the following favorable opinions:

- on the work plan prepared by the Internal Audit Department Manager, and on the adequacy of the internal control and risk management system with regard to the characteristics of the Company and its risk profile, as well as its effectiveness;
- on the fairness of the criteria and procedures adopted by the Board of Directors to assess the independence requirement of Directors who qualify as independent.

In the course of the activities carried out and on the basis of the information obtained, no omissions, objectionable facts, irregularities or, in any case, significant circumstances were found that would require reporting to the Supervisory Authorities or mention in this Report.

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Proposal to the Meeting

On the basis of the above and to the extent of what has been brought to the attention of the Board of Auditors, it is deemed that there are no reasons preventing your approval of the Orsero S.p.A. Annual Financial Statements for the year ended December 31, 2021 and of the allocation of the profit for the year, as proposed by the Board of Directors.

Final Considerations

The Board of Statutory Auditors has no remarks to report regarding the information obtained and the supervisory activities carried out; it found no omissions, censurable facts or irregularities or circumstances such as to require reporting in this Report or to the Supervisory Authority.

Milan, March 29, 2022

THE BOARD OF STATUTORY AUDITORS

Giorgio Grosso (Chairman)


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Orsero
QUALITÀ