Half-Year Financial Report
as at 30 June 2020

3 August 2020

MARR S.p.A.
Via Spagna, 20 – 47921 Rimini - Italy
Capital stock € 33.262.560 fully paid
Tax code and Trade Register of Romagna-Forlì-Cesena and Rimini 01836980365
Subject to the management and coordination of Cremonini S.p.A. – Castelvetro (MO)
Società soggetta all'attività di direzione e coordinamento di Cremonini S.p.A. – Castelvetro (MO)

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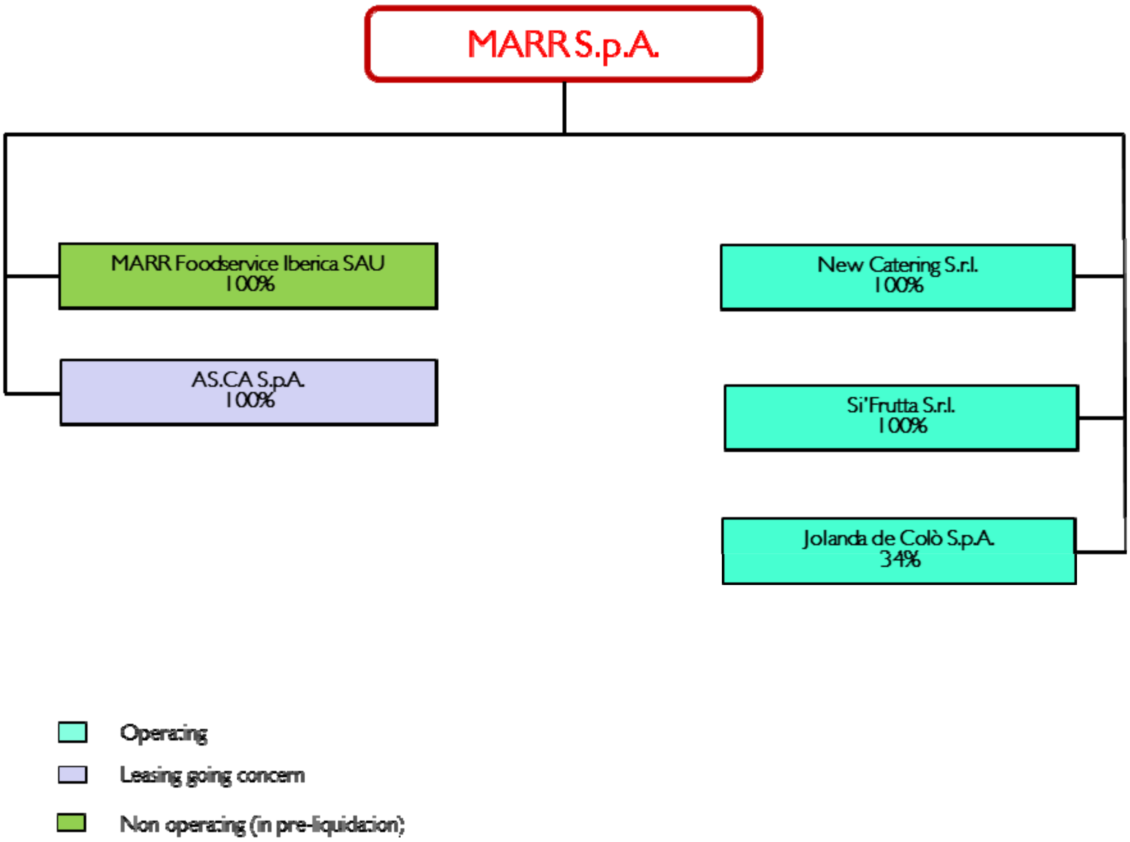
MARR GROUP ORGANISATION

as at 30 June 2020



As at 30 June 2020 the structure of the Group differs from that at 30 June 2019 due to the following transactions concluded by the Parent Company MARR:
- the acquisition on 13 November 2019 of 34% of the shares of Jolanda de Colò S.p.A., a company operating through a distribution and production centre with a surface area of more than 6,000 square metres located in Palmanova (Udine) and which is one of the main operators at a national level in the premium segment (high range), with more than 2,000 products of culinary excellence;
- the purchase on 11 March 2020 of the remaining 60% of the shares of SìFrutta S.r.l.; the purchase from the companies Sì Frutta S.r.l. and Vitali e Bagnoli Multiservice S.r.l. for a total price of 0.8 million Euros allowed MARR to acquire the total control of the shareholding.

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

Company	Activity
MARR S.p.A. Via Spagna n. 20 – Rimini	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.
AS.CA S.p.A. Via dell'Acero n. 1/A - Santarcangelo di Romagna (RN)	Company which leases going concerns to the Parent Company, effective from 1 February 2020
New Catering S.r.l. Via dell'Acero n.1/A - Santarcangelo di Romagna (RN)	Marketing and distribution of foodstuff products to bars and fast food outlets.

Company	Activity
MARR Foodservice Iberica S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spain)	Non-operating company (in pre – liquidation).
Si'Frutta S.r.l. Via Lesina n. 25 – Cervia (RA)	Supply of fresh fruit and vegetable products to hotels, restaurants, canteens and chains operators and in industrial transformation activities.
Jolanda de Colò S.p.A. Via 1° Maggio n. 21 – Palmanova (UD)	Production, marketing and distribution of food products in the premium segment (high range).

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

CORPORATE BODIES

Board of Directors

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

[1] Member of Control and Risk Committee

Board of Statutory Auditors

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

Independent Auditors	PricewaterhouseCoopers S.p.A.

Manager responsible for the drafting of corporate accounting documents	Pierpaolo Rossi

DIRECTORS' REPORT

Group performance and analysis of the results for the first half-year of 2020

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

At the end of the first six months, the sales of the MARR Group amounted to 441.1 million Euros (779.7 million in 2019), and specifically, in the second quarter, they amounted to 181.4 million (450.4 million in 2019), being affected by the blocking of tourist and foodservice activities until 18 May.

In the second quarter, on the basis of the most recent survey by the Confcommercio Studies Office (Survey no. 7, July 2020), "Hotels, meals and out-of-home consumption" showed a decrease in consumption (by quantity) of 73%, with -93% in April improving to -78% in May as a result of the removal of the blocking of "out-of-home" activities on 18 May, and -51% in June.

As regards the only sector of activity represented by "Distribution of food products to non-domestic catering", the sales can be analysed in terms of client categories as follows.

Sales in the first six months in the Street Market and National Account categories amounted to 339.8 million Euros, compared to 664.1 million in 2019, while sales in the same categories in the second quarter amounted to 130.3 million Euros (390.8 million in 2019), a reduction of 66.9%, which was less than that of the market according to the above Confcommercio survey.

Sales to clients in the Wholesale category in the first half-year amounted to 101.4 million Euros (115.6 million in 2019), while those in the second quarter amounted to 51.1 million compared to 59.6 million in 2019.

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

MARR Consolidated (€thousand)	*30.06.20 (6 months)*	*30.06.19 (6 months)*
Revenues from sales and services by customer category		
Street market	251,923	513,724
National Account	87,833	150,433
Wholesale	101,365	115,587
Total revenues form sales in Foodservice	441,121	779,744
(1) Discount and final year bonus to the customers	(6,881)	(9,191)
(2) Other services	817	1,280
(3) Other	165	137
Revenues from sales and services	435,222	771,970

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

Below are the figures re-classified according to current financial analysis procedures, with the income statement, the statement of financial position and the net financial position for the first half-year of 2020, compared to the same period of the previous year.

Analysis of the re-classified Income Statement

MARR Consolidated (€thousand)	30.06.20 (6 months)	%	30.06.19 (6 months)	%	% Change
Revenues from sales and services	435,222	97.3%	771,970	97.3%	(43.6)
Other earnings and proceeds	11,884	2.7%	21,037	2.7%	(43.5)
Total revenues	447,106	100.0%	793,007	100.0%	(43.6)
Cost of raw and secondary materials, consumables and goods sold	(347,262)	-77.7%	(650,556)	-82.0%	(46.6)
Change in inventories	(22,339)	-5.0%	25,262	3.2%	(188.4)
Services	(63,096)	-14.1%	(90,881)	-11.5%	(30.6)
Leases and rentals	(127)	0.0%	(330)	0.0%	(61.5)
Other operating costs	(731)	-0.2%	(762)	-0.1%	(4.1)
Value added	13,551	3.0%	75,740	9.6%	(82.1)
Personnel costs	(13,009)	-2.9%	(19,414)	-2.5%	(33.0)
Gross Operating result	542	0.1%	56,326	7.1%	(99.0)
Amortization and depreciation	(8,036)	-1.8%	(7,545)	-1.0%	6.5
Provisions and write-downs	(8,889)	-2.0%	(6,816)	-0.8%	30.4
Operating result	(16,383)	-3.7%	41,965	5.3%	(139.0)
Financial income	643	0.1%	419	0.1%	53.5
Financial charges	(3,118)	-0.7%	(3,311)	-0.5%	(5.8)
Foreign exchange gains and losses	(13)	0.0%	(9)	0.0%	44.4
Value adjustments to financial assets	(163)	0.0%	0	0.0%	(100.0)
Result from recurrent activities	(19,034)	-4.3%	39,064	4.9%	(148.7)
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	0	0.0%	0	0.0%	0.0
Result before taxes	(19,034)	-4.3%	39,064	4.9%	(148.7)
Income taxes	5,021	1.2%	(11,299)	-1.4%	(144.4)
Net result attributable to the MARR Group	(14,013)	-3.1%	27,765	3.5%	(150.5)

The consolidated economic results of the first half of 2020, which began very positively, suffered the shock of Covid-19 and of the measures imposed by the institutions.

In the first half-year total revenues amounting to 447.1 million Euros (793.0 million in 2019); EBITDA of the first half-year amounted to 0.5 million Euros and, compared to 56.3 million in 2019, was affected by the reduction in revenues and marginality, which was partly mitigated by the interventions on fixed operating costs, implemented without reducing the closeness to Customers and without affecting the opportunity of the reopening of foodservice activities.

After the first six months EBIT amounted to -16.4 million Euros, compared to 42.0 million in 2019.

The margin was also penalized by the sale during the lock-down period of fresh perishables that were still in the warehouses and also of some products, especially frozen seafood, that had been acquired for the summer season.

Trend in revenues from sales and services (-43.6% compared to the same period of the previous year), which showed a progressive increase of 4.1% since the beginning of the year up to 23 February 2020 compared to the same period of the previous year, is a consequence of the blocking of tourist and foodservice activities imposed by the measures for containment of the pandemic implemented in Italy from the end of February to 18 May, with a dynamics in sales in each client categories as previously analyzed.

The item "Other earnings and proceeds", mainly represented by contributions from suppliers on purchases and that includes logistics payments which MARR charges to suppliers, is related to the trend of costs for the purchase of goods and has been negatively impacted by the dynamics of sales.

In this context, actions have been implemented aimed at properly managing the operating costs, by intervening on the reducible fixed costs and optimising the management of the logistics and distribution network, which have mitigated the impact of the sales trend on the earnings.

As regards operating costs, it must been highlighted the decrease in value of Services which go from 90.9 million Euros in the first half of 2019 to 63.1 million in the same period of 2020 with a percentage incidence on total revenues from 11.5% in 2019 to 14.1% in 2020.

The personnel costs also highlight a decrease of 6.4 million Euros, mainly due to the adjustment of the business organization to the market situation through the use of the employment laws made available by the Government (4.2 million Euros approximately since March), an intensification in the use of paid leave (0.4 million Euros approximately since March) and less overtime work (0.5 million Euros approximately since the month of March 2020), as well as the benefits of integrating the business activities of AS.CA into MARR (for approximately 0.7 million Euros since the beginning of the year).
The above measures generated an average saving of approximately 33% on personnel costs in the half year (of which 55% in the second quarter).

It must be recalled that the item "Amortization and depreciation" includes, for 4.4 million Euros (4.1 million in the same period of 2019) the depreciation for the quarter of the right of use accounted for according to IFRS16 in the financial statements for the lease contracts; the total increase of the item is mainly the effect mainly of the investment plan put in place for some years at the distribution centres of the Parent Company.

The item "provisions and write-downs" amounted to 8.9 million Euros (6.8 million in the first half of 2019) and its increase is mainly attributable to a higher provision (around 1.8 million Euros) to the bad debt provision (8.5 million Euros in the first half of 2020) carried out in relation to the current situation of uncertainty on the market; 0.4 million Euros is related to the provision for supplementary customer indemnity.

By effect of that illustrated above the result of recurrent activities, net of the financial management which is substantially in line with the same period of the previous year and of the loss deriving from the valuation at equity of the associate Jolanda de Colò S.p.A. (equal to 0.2 million Euros), amounts at the end of the half-year to a loss of 19.0 million Euros (against a profit of 39.1 million Euros as at 30 June 2019) and, as a result of deferred tax assets, the net result for the period was equal to a net loss of 14.0 million Euros (profit of 27.8 million Euros as at 30 June 2019).

Analysis of the re-classified statement of financial position *

MARR Consolidated (€thousand)	*30.06.20*	*31.12.19*	*30.06.19*
Net intangible assets	153,428	152,307	152,045
Net tangible assets	72,569	70,960	69,570
Right of use assets	42,898	45,437	55,639
Equity investments evaluated using the Net Equity method	1,883	2,452	516
Equity investments in other companies	304	304	304
Other fixed assets	37,192	33,222	24,404
Total fixed assets (A)	308,274	304,682	302,478
Net trade receivables from customers	333,733	368,642	408,917
Inventories	148,277	170,395	184,140
Suppliers	(203,984)	(324,535)	(386,941)
Trade net working capital (B)	278,026	214,502	206,116
Other current assets	38,872	52,226	48,883
Other current liabilities	(20,168)	(18,298)	(28,559)
Total current assets/liabilities (C)	18,704	33,928	20,324
Net working capital (D) = (B+C)	296,730	248,430	226,440
Other non current liabilities (E)	(1,460)	(1,194)	(1,178)
Staff Severance Provision (F)	(7,488)	(8,298)	(8,170)
Provisions for risks and charges (G)	(6,580)	(7,807)	(7,651)
Net invested capital (H) = (A+D+E+F+G)	589,476	535,813	511,919
Shareholders' equity attributable to the Group	(326,843)	(339,798)	(300,736)
Consolidated shareholders' equity (I)	(326,843)	(339,798)	(300,736)
(Net short-term financial debt)/Cash	(46,281)	17,269	54,477
(Net medium/long-term financial debt)	(172,163)	(166,859)	(209,390)
Net financial debt - before IFRS16 (L)	(218,444)	(149,590)	(154,913)
Current lease liabilities (IFRS16)	(8,567)	(7,911)	(7,654)
Non-current lease liabilities (IFRS16)	(35,622)	(38,514)	(48,616)
IFRS16 effect on Net financial debt (M)	(44,189)	(46,425)	(56,270)
Net financial debt (N) = (L+M)	(262,633)	(196,015)	(211,183)
Net equity and net financial debt (O) = (I+N)	(589,476)	(535,813)	(511,919)

* It should be noted that the data as at 31 December and 30 June 2019 have been restated where necessary in order to maintain comparability with the data as at 30 June 2020.

Analysis of the Net Financial Position *

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

	MARR Consolidated (€thousand)	Notes	*30.06.20*	*31.12.19*	*30.06.19*
A.	Cash		3,754	10,873	20,070
	Bank accounts		171,154	181,530	186,000
	Postal accounts		30	90	14
B.	Cash equivalent		171,184	181,620	186,014
C.	Liquidity (A) + (B)	14	174,938	192,493	206,084
	Current financial receivable due to Parent Company		15,621	1,843	1,099
	Current financial receivable due to Related Companies		0	0	0
	Others financial receivable		774	560	1,024
D.	Current financial receivable	10	16,395	2,403	2,123
E.	Receivables for derivative/financial instruments	11	6,073	1,247	11
F.	Current Bank debt	23/25	(47,360)	(38,796)	(59,845)
G.	Current portion of non current debt	23/25	(157,080)	(130,076)	(92,713)
	Financial debt due to Parent company		0	0	0
	Financial debt due to Related Companies		0	0	0
	Other financial debt	23/25	(39,246)	(10,002)	(1,183)
H.	Other current financial debt		(39,246)	(10,002)	(1,183)
I.	Current lease liabilities (IFRS16)	24	(8,568)	(7,911)	(7,654)
J.	Current financial debt (F) + (G) + (H) + (I)		(252,254)	(186,785)	(161,395)
K.	Net current financial indebtedness (C) + (D) + (E) + (J)		(54,848)	9,358	46,823
L.	Non current bank loans	17/19	(172,163)	(137,491)	(171,565)
M.	Other non current loans		0	(29,368)	(37,825)
N.	Non-current lease liabilities (IFRS16)	18	(35,622)	(38,514)	(48,616)
O.	Non current financial indebtedness (L) + (M) + (N)		(207,785)	(205,373)	(258,006)
P.	Net financial indebtedness (K) + (O)		(262,633)	(196,015)	(211,183)

* It should be noted that the data as at 31 December and 30 June 2019 have been restated where necessary in order to maintain comparability with the data as at 30 June 2020.

The financial indebtedness of the MARR Group was also affected at the end of the first half-year by the unforeseen Covid-19 outbreak, reaching 262.6 million Euros, an increase of approximately 51.5 million Euros compared to the same period last year, mainly due to the trend in the net trade working capital, which was affected by the reduction in payables to suppliers and only partly compensated by the reduction in the trade receivables.

This trend, although temporary and destined to return to the levels in previous periods, has led to the management team performing a careful analysis of the financial covenants required by the banks for the ongoing loans. The specific focus is on the loans which involve the monitoring of the indices not only at the end of the year but also on 30 June each year, with

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

regard to the preceding twelve months, thereby encompassing a first half-year of 2020 that was anomalous and particularly penalized from an economic and financial viewpoint by the lock-down imposed by the institutions.

This analysis has led to the identification of the breach covenants concerning five contracts as a result of exceeding one of the indices envisaged contractually, which is that concerning the ratio between net financial indebtedness and EBITDA. For these loans, the management team has filed a request to the respective banks for a temporary suspension of the verification of the financial parameters (Net Financial Indebtedness / EBITDA; Net Financial Indebtedness / Net Equity; EBITDA / Net financial charges).
The "Covenant holiday" agreement was signed with Unicredit Banca on 22 June 2020, while they were finalized in July with the Banca Nazionale del Lavoro, BNP Paribas and Mediobanca.
The same agreement is currently being finalized for those who subscribed to the bond loan ("USPP") in US dollars, part of which, for a total of 8.9 million Euros, was paid back on expiry, together with the relative interest, during July. In this regard, the directors believe that the obtainment of the covenant holiday by the USPP investors can also be deemed to be reasonably certain, once an approval process that is more complex from a formal viewpoint with respect to those for the other financial institutes, and thus requires more time, has been completed.

In the light of the above, and consistently with that envisaged by the IFRS, the loans with the Banca Nazionale del Lavoro, BNP Paribas and Mediobanca, and also the bond loan in US dollars, are entirely classified under the current financial indebtedness as at 30 June, for a total value amounting to 136.3 million Euros. However, it must be noted in this regard that a portion amounting to 101.2 million Euros, thanks to the agreements finalized and signed in July, concerns the instalments that will be expiring in more than twelve months, as per the original amortization plans for the loans.

The signature of the above-mentioned covenant holiday agreements in July will enable the Group to classify such loans among the non-current liabilities again as of the closure of the next quarter.

It must be noted that, consistently with the classification of the USPP of which in the previous paragraph, the financial receivables deriving from the valuation of the derivative Cross Currency Swap contracts related thereto and expiring in 2023 (amounting to 4.8 million Euros) have been included in the net financial position as at 30 June 2020.
Were these receivables to have been considered as at 31 December 2019 and 30 June 2019 as well, the financial indebtedness of the Group would have amounted to 192.6 and 207.6 million Euros respectively.

As regards the structure of the financial debts it must be pointed out that in the first half of 2020, despite the difficult global situation generated by the lock-down, the Parent Company stipulated the following new contracts:

- loan signed on 24 February 2020 with Banca Intesa San Paolo for total 50 million Euros, divided into two tranches, one of 20 million Euros (granted on 26 February) and the other "bullet" of 30 million Euros (granted on 25 March 2020), both expiring in February;
- loan granted on 4 March 2020 by Credito Emiliano for 7.5 million Euros, with amortization plan ending in March 2023;
- loan granted on 9 April 2020 by Credit Agricole Italia for 10 million Euros, with amortization plan ending in April 2026;
- loan granted on 13 May 2020 by Unicredit for 30 million Euros, with amortization plan ending in May 2022;
- loan granted on 20 May 2020 by UBI Banca for 25 million Euros, with amortization plan ending in May 2023.

In view of the above, it should also be noted that the two outstanding loans with Banca Intesa San Paolo, which at 31 December 2019, were classified as 9.5 million Euros in current financial payables and 10.3 million Euros in non-current financial debt, those loans were paid off early for total 19.8 million Euros.
In January the last installment of the mortgage loan in place with Banca Intesa San Paolo was also paid and the related mortgage was canceled.

With regard to the main financial movements in the first half of 2020, in addition to the ordinary operating management and the financial outlays relating to the investments made at the distribution centres of the Parent Company, as detailed in the next paragraph "Investments", it is pointed out that in March 0.8 million Euros were paid out by the Parent Company for the purchase of 60% of the shares of the company SìFrutta S.r.l..

Analysis of the Trade net working Capital *

MARR Consolidated (€thousand)	*30.06.20*	*31.12.19*	*30.06.19*
Net trade receivables from customers	333,733	368,642	408,917
Inventories	148,277	170,395	184,140
Suppliers	(203,984)	(324,535)	(386,941)
Trade net working capital	278,026	214,502	206,116

* It should be noted that the data as at 31 December and 30 June 2019 have been restated where necessary in order to maintain comparability with the data as at 30 June 2020.

As a result of the health emergency arose at the end of February and of the closure of all business activities from 11 March to 18 May, the results at the end of the first half-year are not comparable with the first half of 2019, as a result of the impacts described previously concerning the total revenues and the purchase costs of goods.

Compared to 206.1 million Euros at the end of the first half of 2019, trade net working capital amounted to 278.0 million Euros at 30 June 2020, affected by the decrease in suppliers only partially offset by the reduction in trade receivables and in inventories.

In this regard, it must be noted that there was a careful review of the procurement policies during the lock-down and the recovery of catering activities starting on 18 May last has enabled a significant decrease in the inventories to be achieved, with respect to both the same period in the previous year and the closing figures as at 31 March 2020 (179.1 thousand Euros).

The Company is still focusing strongly on the management of the trade receivables, implementing methods specific to the situations and requirements of each territorial area and Market segment. The objective remains that of safeguarding the company equity while remaining close to the clients, thereby enabling the prompt management of the receivables and enhancement of relations with customers with a view to the full recovery of consumption levels.

Given the market trend, the management team has immediately implemented a series of interventions aimed at managing the net trade working capital, with specific regard to the continuing focus, as said above, on managing the receivables and inventories.

Re-classified cash-flow statement *

MARR Consolidated (€thousand)	30.06.20	30.06.19
Net profit before minority interests	(14,013)	27,765
Amortization and depreciation	8,038	7,546
Change in Staff Severance Provision	(810)	(248)
Operating cash-flow	**(6,785)**	**35,063**
(Increase) decrease in receivables from customers	34,909	(38,702)
(Increase) decrease in inventories	22,118	(25,262)
Increase (decrease) in payables to suppliers	(120,551)	71,523
(Increase) decrease in other items of the working capital	11,662	18,867
Change in working capital	**(51,862)**	**26,426**
Net (investments) in intangible assets	(1,325)	(142)
Net (investments) in tangible assets	(5,009)	(4,637)
Flows relating to acquisitions of subsidiaries and going concern	(800)	(180)
Investments in other fixed assets	**(7,134)**	**(4,959)**
Free - cash flow before dividends	**(65,781)**	**56,530**
Distribution of dividends	0	(51,889)
Other changes, including those of minority interests	1,058	591
Cash-flow from (for) change in shareholders' equity	**1,058**	**(51,298)**
FREE - CASH FLOW	**(64,723)**	**5,232**
Opening net financial debt	(196,015)	(156,656)
Effect for change in liability for IFRS16	(1,895)	(59,759)
Cash-flow for the period	(64,723)	5,232
Closing net financial debt	**(262,633)**	**(211,183)**

* It should be noted that the data relating to the flows of the first half of 2019 have been restated where necessary in order to maintain comparability with the data as at 30 June 2020.

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

MARR Consolidated (€thousand)	30.06.20	30.06.19
Free - cash flow	(64,723)	5,232
(Increase) / decrease in current financial receivables	(18,818)	745
Increase / (decrease) in non-current net financial debt	2,412	39,649
Increase / (decrease) in current financial debt	63,574	(17,952)
Increase (decrease) in cash-flow	**(17,555)**	**27,674**

Investments[ii]

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

(€thousand)	*30.06.20*
Intangible assets	
Patents and intellectual property rights	93
Intangible assets under development and advances	85
Goodwill	1,147
Total intangible assets	1,325
Tangible assets	
Land and buildings	230
Plant and machinery	1,133
Industrial and business equipment	178
Other assets	280
Fixed assets under development and advances	3,188
Total tangible assets	5,009
Total	6,334

With regard to the investments of the first half-year of 2020 it is pointed out the purchase finalized by the Parent Company on 11 March 2020 of the remaining quota of 60% of the company Si'Frutta S.r.l.; this operation resulted in the recognition of a provisionally determined goodwill of 1,147 thousand Euros and the entry of tangible fixed assets for a 217 thousand Euros, mainly concentrated in the "Plant and machinery" and "Other assets" categories.

As concern the item "fixed assets under development and advances" the continuation of the works for the new headquarters' building located in Santarcangelo di Romagna is highlighted, with a total investment in the period amounting to 2,845 thousand Euros.

The amounts shown in the item "Plant and machinery" mainly refer to investments in some distribution centres of the Parent Company.

[ii] Only monetary investments are included into this category; therefore, increases resulting from the registration in the balance sheet of a right of use deriving from the application of IFRS 16 are excluded.

Other informations

The Company neither holds nor has ever held shares or quotas of parent companies, even though third party persons and/or companies; consequently during the 2020 the company never purchased or sold the above-mentioned shares and/or quotas.

As at 30 June 2020 the Company does not hold own shares.

During the half-year, the Group did not carry out any atypical or unusual operations.

Significant events during the half-year 2020

Since the end of February, Italy was hit by the Covid-19 pandemic (so-called Coronavirus), with regard to which the Government has implemented increasingly stringent health protection measures, imposing restrictions on the circulation of people and in the Prime Ministerial Decree of 11 March on business activities as well, measures which were updated in the Prime Ministerial Decree of 26 April. Consistently with the dispositions in force, the Company has adopted organizational measures to ensure the continuation of management and logistical activities so as to ensure continuity of service for all clients, through its own nationwide distribution network, in full respect and protection of the health of its collaborators, for which it has also stipulated a specific insurance policy.

With effects starting from 1 February 2020, the subsidiary AS.CA S.p.A. has leased its going concern to the Parent Company, which manages it by integrating the activities with those of the MARR Bologna and MARR Romagna distribution centres.

On 11 March, MARR S.p.A. acquired 60% of the shares of SiFrutta S.r.l. from the companies Si Frutta S.r.l. and Vitali e Bagnoli Multiservice S.r.l. for a total price of 0.8 million Euros. Through this operation, MARR has acquired the total control of the company.

On 28 April the Shareholders' Meeting approved the 2019 financial statements and resolved to suspend the distribution of the 2019 dividends allocating the business year's profit to the extraordinary reserve.

The Shareholders' Meeting also resolved on the appointment of the Board of Directors (the number of which was brought from nine to seven with Ugo Ravanelli Chairman) and of the Board of Statutory Auditors remaining in office for three business years and therefore until the Shareholders' Meeting to be called for the approval of the financial statements for 2022.

The extraordinary Shareholders' Meeting approved the modification of art. 7 of the company By-Laws introducing "Increased in voting rights" pursuant to art. 127-quinquies of the TUF; subsequently the Board of Directors being held today approved the related Rules that will be published in a dedicated section on the Company website.

The Board of Directors meeting held at the end of the Shareholders' Meeting confirmed as Chief Executive Officer Francesco Ospitali and assessed the possession of the independence requirements provided by the law and the Borsa Italiana Corporate Governance Code for the Directors: Marinella Monterumisi, Alessandro Nova and Rossella Schiavini.

The Board of Directors meeting set also up the Control and Risk Committee, composed of the Independent Directors Marinella Monterumisi and Rossella Schiavini.

On 14 May the Board of Directors took note of the independence assessment expressed by the Board of Statutory Auditors for its members.

Subsequent events after the closing of the half-year

On 10 July 2020, the Parent Company repaid to the investors the due principal instalment of the private bond placement in US dollars stipulated in 2013 together with the six-monthly interest payment, with a total outlay of 8,514 thousand Euros.

Transactions with related parties

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

With regard to the transactions with subsidiaries, associates, parent companies and affiliates, please refer to the analytical indications given in the explanatory notes to these interim condensed consolidated financial statements and, as required by art. 2497 - bis of the Civil Code, we summarize below the types of relationships that have taken place:

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

It is pointed out that the value of MARR's consolidated purchase and sales of goods by transactions with the parent company Cremonini S.p.A. and affiliated companies (identified by name in the following table) represented in the half-year approximately 8.5% of the total consolidated purchases and 4.2% of the total consolidated revenue from sales and services carried out by the Group respectively.

All the commercial transactions and supply of services, occurred at market value.

The following table reports economical and financial data of the first half of 2020 towards each related party.

	FINANCIAL RELATIONS						ECONOMIC RELATIONS								
COMPANY	RECEIVEBLES			PAYABLES			REVENUES				COSTS				
	Trade	Other	Financial	Trade	Other	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Parent Companies:															
Cremonini S.p.A. (*)	13	14	15,621	3,294	2,045		4			9		622			
Total	13	14	15,621	3,294	2,045	0	4	0	0	9	0	622	0	0	0
From unconsolidated subsidiaries:															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies:															
Jolanda De Colò				2							1				
Total	0	0	0	2	0	0	0	0	0	0	1	0	0	0	0
From Affiliated Companies (**)															
Cremonini Group															
Caio S.r.l.	7				2		20								
Casa Maioli S.r.l.	7						34								
Chef Express S.p.A.	429	9					1,680				13	6			
Fiorani & C. S.p.a.	2	120		1,666			109		111		3,784				
Global Service S.r.l.		29		340								515			
Guardamiglio S.r.l.	7						13								
Inalca Food and Beverage S.r.l.	354	1		67			2,889	69			56				
Inalca S.p.a.	61	53		10,910			2,209		111		24,367	6			
Interjet S.r.l.															
Italia Alimentari S.p.a.	2	17		439			2		32		1,223				
Roadhouse Grill Roma S.r.l.	316						1,117								
Roadhouse S.p.A.	2,805			1			9,973	13							
Tecno-Star Due S.r.l.				1											
W Italia S.r.l.	2						2								
From Affiliated Companies															
Farmservice S.r.l.							7								
Le Cupole S.r.l.						830									5
Time Vending S.r.l.		12							12						
Total	3,992	241	0	13,424	2	830	18,055	82	266	0	29,443	527	0	0	5

(*) The items in the Other Receivables columns relate to the residual IRES receivables for requests of reimbursement regarding to the personel cost not deducted to Irap in the years 2007-2011, transferred to the Parent Company within the scope of of the National Consolidated tax base; the amount in the the other payables is related to the IRES balance of the year 2019 and of the first half of 2020. Trade receivables and payables include the net amount of VAT transferred to Cremonini within the scope of the Group VAT liquidation.

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

From Oter Related Parties															
Members of top management team					280		1					368			
Total	0	0	0	0	280	0	1	0	0	0	0	368	0	0	0

Outlook

The strategic approach, and the resulting guidelines, set out by the Company at the start of the impact on consumption caused by the spread of the pandemic have shown to be suited to this particular period in time and capable of ensuring that MARR maintains solid links with its partners and its reference market.
In particular, both the products-related and marketing initiatives implemented and the level of service guaranteed and modulated during the various different phases of the lockdown and subsequent gradual reopening, have been positively acknowledged, as they have ensured the correct market response to the needs of each specific moment in time. The support provided in this respect in terms of development of business opportunities that arose for clients from time to time (food delivery, take away, etc.) must also be added.
A similar positive assessment must also be given to the activities carried out in compliance with the "guidelines", less of a marketing and logistical nature, and more oriented towards management, such as enhancing the liquidity and the focused management of trade receivables and operating costs, with the priority remaining that of customer satisfaction.
All of this has enabled MARR to fully and immediately make the most of the signs of recovery in demand, as can be seen from the results achieved in June and from the preliminary figures for the July revenues.
This underscores and confirms the hypothesis put forward in May for a third quarter, which is the most significant time of the year for domestic tourism, with legitimate expectations of a recovery in consumption and the opportunity of bringing period results closer to those achieved in previous years.
The forecast for the gradual realignment of consumption to the values recorded in recent years is currently confirmed during the course of the second half of next year.
In this context, it is interesting to underline that the aforementioned closeness to the market and clients revolves around very important operational professionals in the business model characterising MARR Press release and which represent the real "Touchpoint" between Company and Market. These belong to the sales organization and logistical and distribution network, which are by nature very close to the clients.
The logistical and distribution network, that consists among others of 35 distribution centres and more than 750 vehicles, ensures a capillary nationwide coverage.
As regards the sales organization, which currently includes more than 850 Sales Technicians, it must be highlighted that recent months have confirmed the validity of the earlier choices made by MARR based on a specific "phygital marketing" project, in other words merging the "physical" and "digital" approaches, optimising direct contact between Customer and Company through the proper and balanced combination of the available skills and tools.
In particular, the importance has been confirmed of personal relationship between the Sales Technician and the Customer, which has enabled and continues to enable, for example, the illustration, with adequate skill and detail, of new product lines with high added value. This activity is supported by equally important "digital" methods, which enable repetitive orders and administrative activities to be streamlined, for example.
This cross-approach places the Customer at the centre of attention in business terms, as MARR has always tried to do in its choices, so that the former always feels "protected" and can increasingly focus on the development of its business. This also enables brand loyalty to be enhanced, as a result of the full satisfaction of the Partner-Customer.
Closeness to the client also enables the prompt management of credit, to which much attention is given through modulated solutions based on creditworthiness.

After the positive recovery in demand during June, July has seen a further step forward towards the gradual return to normality.
Examining the sales in the reference categories (Street Market and National Account), it can be seen that, during a first half-year in which an average decrease in revenues of 50% was recorded compared to the same period last year, the last three months have seen a trend which is worthy of greater analysis. Specifically, the reduction in May amounted to 75%, in June 46% and in July "only" 28%. This is a trend that takes into account both the reopening of hotels and restaurants but also MARR's ability to continuously over-perform the market.
In addition to the positive comparison with the figures of the Confcommercio Studies Office reproduced below, it must be observed that currently, over 85% of MARR's clients, and thus well in excess of the national levels stated by recent sources, have consistently restarted their activities with consumption close to 90% of their historical value. These figures, which are nationwide, show some discrepancies at both a territorial level (the restarting of activities continues to be better and more significant in the mountain and seaside locations compared to the more labored restart in art cities, due to the different origin of tourists than in the past) and in terms of segments. It can be seen that more restaurants (about 87%) than hotels (more than 75%) have reopened, with similar discrepancies in consumption compared to historical figures.
The figures mentioned, which have been gradually and constantly improving for about three months, mainly show two things. The first is that the out-of-home food consumption market is capable of reacting very positively, thanks to the professionalism of those involved, and will certainly return to the size that has characterised it in recent years. The second is that, with a market showing signs of recovery, MARR's ability to react and pursue growth objectives in excess of those of its reference market has remained unchanged.
The sum of these two components is summarised in the provisional management forecast for the revenues in July, which currently stands at more than 135 million Euros (73% of the same period in 2019).

Going concern

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

- the significant sources of liquidity currently available;
- agreed credit lines ongoing and unused for a total amount of not less than 230 million Euros as at 30 June 2020;
- the support of the main banks, relying on its position of leadership in its business sector; the banking system paid out loans totaling more than 120 million Euros to the company during the lock-down;
- the support of the banks also led to the temporary suspension ("Covenant holiday") of the verification of the financial indices in the contracts that envisaged them as at 30 June 2020; this suspension was granted by all of the banks which have paid out loans for which a covenant breach was ascertained;
- the same agreement is currently being finalized for those who subscribed to the bond loan ("USPP") in US dollars, part of which, for a total of 8.9 million Euros, was paid back on expiry, together with the relative interest, during July. In this regard, the directors believe that the obtainment of the covenant holiday by the USPP investors can also be deemed to be reasonably certain, once an approval process that is more complex from a formal viewpoint with respect to those for the other financial institutes, and thus requires more time, has been completed.

In addition to the factors considered above, the Group has taken note of a commitment on the part of government institutions to support the operators and subjects most affected by the effects of Covid-19 through safeguard measures that will be implemented in the coming months and which the Group intends use, where possible.

Interim Condensed Consolidated Financial Statements

MARR Group

30 June 2020

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	*Notes*	30.06.20		31.12.19*	
ASSETS					
Non-current assets					
Tangible assets	1	72,569		70,960	
Right of use	2	42,898		45,437	
Goodwill	3	151,068		149,921	
Other intangible assets	4	2,360		2,386	
Investments at equity value	5	1,883		2,452	
Investments in other companies		304		304	
Non-current financial receivables	6	482		490	
Non-current derivative/financial instruments	11	4,751		3,419	
Deferred tax assets	7	3,449		0	
Other non-current assets	8	51,430		38,455	
Total non-current assets		331,194		313,824	
Current assets					
Inventories	9	148,277		170,395	
Financial receivables	10	16,395		2,403	
relating to related parties		*15,621*	*95.3%*	*1,843*	*76.7%*
Current derivative/financial instruments	11	1,322		1,247	
Trade receivables	12	315,564		360,221	
relating to related parties		*4,005*	*1.3%*	*10,907*	*3.0%*
Tax assets	13	2,351		2,103	
relating to related parties		*12*	*0.5%*	*12*	*0.6%*
Cash and cash equivalents	14	174,938		192,493	
Other current assets	15	36,521		55,228	
relating to related parties		*243*	*0.7%*	*434*	*0.8%*
Total current assets		695,368		784,090	
TOTAL ASSETS		*1,026,562*		*1,097,914*	
LIABILITIES					
Shareholders' Equity	16	326,843		339,798	
Share capital		*33,263*		*33,263*	
Reserves		*286,840*		*221,434*	
Profit for the period		*6,740*		*85,101*	
Total Shareholders' Equity		326,843		339,798	
Non-current liabilities					
Non-current financial payables	17	172,119		166,793	
Non-current lease liabilities (IFRS16)	18	35,622		38,514	
relating to related parties		*167*	*0.5%*	*499*	*1.3%*
Non-current derivative/financial instruments	19	44		66	
Employee benefits	20	7,488		8,298	
Provisions for risks and costs	21	6,580		6,185	
Deferred tax liabilities	7	0		1,622	
Other non-current liabilities	22	1,460		1,194	
Total non-current liabilities		223,313		222,672	
Current liabilities					
Current financial payables	23	243,685		178,802	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*
Current lease liabilities (IFRS16)	24	8,568		7,911	
relating to related parties		*663*	*7.7%*	*660*	*8.3%*
Current derivative/financial instruments	25	1		72	
Current tax liabilities	26	4,706		3,742	
relating to related parties		*2,045*	*43.5%*	*1,755*	*46.9%*
Current trade liabilities	27	203,984		329,640	
relating to related parties		*16,720*	*8.2%*	*9,867*	*3.0%*
Other current liabilities	28	15,462		15,277	
relating to related parties		*282*	*1.8%*	*598*	*3.9%*
Total current liabilities		476,406		535,444	
TOTAL LIABILITIES		*1,026,562*		*1,097,914*	

* The data as at 31 December 2019 have been restated where necessary in order to maintain comparability with the data as at 30 June 2020.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€thousand)	*Note*	*30.06.20 (6 months)*		*30.06.19* (6 months)*	
Revenues	29	435,222		771,970	
relating to related parties		*18,142*	*4.2%*	*31,731*	*4.1%*
Other revenues	30	11,884		21,037	
relating to related parties		*266*	*2.2%*	*346*	*1.6%*
Changes in inventories	9	(22,339)		25,262	
Purchase of goods for resale and consumables	31	(347,262)		(650,556)	
relating to related parties		*(29,444)*	*8.5%*	*(44,970)*	*6.9%*
Personnel costs	32	(13,009)		(19,414)	
Amortizations, depreciations and provisions	33	(8,467)		(7,748)	
Losses due to impairment of financial assets	34	(8,458)		(6,613)	
Other operating costs	35	(63,954)		(91,973)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(47)*		*(138)*	
relating to related parties		*(1,517)*	*2.4%*	*(1,956)*	*2.1%*
Financial income and charges	36	(2,488)		(2,901)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(339)*		*(589)*	
relating to related parties		*4*	*(0.2%)*	*(7)*	*0.2%*
Income (charge) from associated companies	37	(163)		0	
Result before taxes		***(19,034)***		***39,064***	
Taxes	38	5,021		(11,299)	
Result for the period		***(14,013)***		***27,765***	
Attributable to:					
Shareholders of the Parent Company		(14,013)		27,765	
Minority interests		0		0	
		(14,013)		*27,765*	
basic Earnings per Share (euro)	39	(0.21)		0.42	
diluted Earnings per Share (euro)	39	(0.21)		0.42	

* The data relating to the first half-year 2019 have been restated where necessary in order to maintain comparability with those of the first half-year 2020.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	*Note*	***30.06.20 (6 months)***	*30.06.19 (6 months)*
Result for the period (A)		***(14,013)***	***27,765***
Items to be reclassified to profit or loss in subsequent periods:			
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		1,046	591
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		14	0
Total Other Profits/Losses, net of taxes (B)	***40***	***1,060***	***591***
Comprehensive Result (A) + (B)		***(12,953)***	***28,356***
Attributable to:			
Shareholders of the Parent Company		(12,953)	28,356
Minority interests		0	0
		(12,953)	***28,356***

(note 16)

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDER'S EQUITY

Description	Share Capital	Other reserves											Retained earnings	Total Group net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to Ias/Ifrs	Cash-flow hedge reserve	Reserve ex art. 55 (dpr 597-917)	Reserve IAS 19	Total Reserves		
Balance at 1st January 2019	33,263	63,348	6,652	13	36,496	93,352	1,475	7,292	(1,578)	1,463	(644)	207,868	83,141	324,272
Allocation of 2018 profit						12,759						12,759	(12,759)	
Distribution of MARR S.p.A. dividends													(51,889)	(51,889)
Other minor variations										(4)		(3)		(3)
- Profit for the period													27,765	*27,765*
- Other Profits/Losses, net of taxes									591			591		*591*
Consolidated comprehensive income (1/1 -30/06/2019)														28,356
Balance at 30 June 2019	33,263	63,348	6,652	13	36,496	106,111	1,475	7,292	(987)	1,459	(644)	221,215	46,258	300,736
Other minor variations								(2)		(1)		(2)	(1)	(3)
- Profit for the period													38,844	*38,844*
- Other Profits/Losses, net of taxes									399		(178)	221		*221*
Consolidated comprehensive income (1/07-31/12/2019)														39,065
Balance at 31 December 2019	33,263	63,348	6,652	13	36,496	106,111	1,475	7,290	(588)	1,458	(822)	221,434	85,101	339,798
Allocation of 2019 profit						64,349						64,349	(64,349)	
Distribution of MARR S.p.A. dividends														
Other minor variations								1		(3)		(3)	1	(2)
- Profit for the period													(14,013)	*(14,013)*
- Other Profits/Losses, net of taxes									1,046		14	1,060		*1,060*
Consolidated comprehensive result (1/1 -30/06/2020)														(12,953)
Balance at 30 June 2020	33,263	63,348	6,652	13	36,496	170,460	1,475	7,291	458	1,455	(808)	286,840	6,740	326,843

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	30.06.20		30.06.19*	
Result for the Period	(14,013)		27,765	
Adjustment:				
Amortization/Depreciation	3,604		3,426	
IFRS 16 depreciation	4,434		4,120	
Change in deferred tax	(5,368)		(593)	
Allocation of provison for bad debts	8,457		6,614	
Provison for supplementary clientele severance indemnity	432		203	
Write-downs of investments non consolidater on a line - by - line basis	163		0	
Capital profit/losses on disposal of assets	(100)		(126)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Financial (income) charges net of foreign exchange gains and losses	2,475		2,892	
relating to related parties	*(4)*	*(0.2%)*	*7*	*0.2%*
Foreign exchange evaluated (gains)/losses	24		55	
Total	14,121		16,591	
Net change in Staff Severance Provision	(833)		(249)	
(Increase) decrease in trade receivables	44,481		(44,712)	
relating to related parties	*6,983*	*15.7%*	*4,181*	*(9.4%)*
(Increase) decrease in inventories	22,307		(25,262)	
Increase (decrease) in trade payables	(130,600)		71,523	
relating to related parties	*6,853*	*(5.2%)*	*2,923*	*4.1%*
(Increase) decrease in other assets	9,724		5,865	
relating to related parties	*191*	*2.0%*	*(30)*	*(0.5%)*
Increase (decrease) in other liabilities	(6,590)		1,289	
relating to related parties	*(397)*	*6.0%*	*(114)*	*(8.8%)*
Net change in tax assets / liabilities	1,013		12,240	
relating to related parties	*290*	*28.6%*	*9,856*	*80.5%*
Interest paid	(3,118)		(3,311)	
relating to related parties	*(5)*	*0.2%*	*0*	*0.0%*
Interest received	643		419	
relating to related parties	*9*	*1.4%*	*1*	*0.2%*
Foreign exchange evaluated gains	5		(54)	
Foreign exchange evaluated	(29)		(1)	
Cash-flow form operating activities	(62,889)		62,103	
(Investments) in other intangible assets	(177)		(142)	
(Investments) in tangible assets	(4,428)		(4,710)	
Net disposal of tangible assets	258		203	
Outgoing for acquisition of subsiaries or going concerns during the year (net of liquidity purchased)	(615)		(180)	
Cash-flow from investment activities	(4,962)		(4,829)	
Distribution of dividends	0		(51,889)	
Other changes, including those of third parties	1,058		589	
Net change in liabilities (IFRS 16)	(4,130)		(3,489)	
relating to related parties	*(329)*	*8.0%*	*0*	*0.0%*
Net change in financial receivebles (excluding the new non -current loans received)	7,435		19,082	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
New non-current loans received	122,500		40,000	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Repayment of other long-term debt	(61,176)		(33,715)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Net change in current financial receivables	(14,067)		745	
relating to related parties	*(13,778)*	*97.9%*	*0*	*0.0%*
Net change in non-current financial receivables	(1,324)		(923)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Cash-flow from financing activities	50,296		(29,600)	
Increase (decrease) in cash-flow	(17,555)		27,674	
Opening cash and equivalents	192,493		178,410	
Closing cash and equivalents	174,938		206,084	

* The data relating to the flows of the first half-year 2019 have been restated where necessary in order to maintain comparability with the data at 30 June 2020.

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

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

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

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

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

The consolidated financial statements for the business year closing as at 30 June 2020 were authorised for publication by the Board of Directors on 3 August 2020.

Structure and contents of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements at 30 June 2020 have been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002.
The IFRS also include all of the international accounting standards ("IAS/IFRS") and interpretation of the IFRS Interpretations Committee ("IFRIC"), formerly known as the "Standing Interpretations Committee" (SIC).

Specifically, this half-yearly financial report has been drawn up in a condensed form, within the framework of the options envisaged by IAS 34 ("Interim Financial Reporting"). This condensed half-year financial statements therefore do not include all the information required by the annual financial statements and must be read together with the annual financial statements prepared for the year ended December 31, 2019.

In particular, the same accounting principles adopted in the preparation of the consolidated financial statements at 31 December 2019 were applied in the preparation of these interim condensed consolidated financial statements, with the exception of the adoption of the new standards, amendments and interpretations in force from 1 January 2020, described below.

The interim condensed consolidated financial statements at 30 June 2020 were prepared on the basis of the going concern assumption, based on the assessments made by the Directors and illustrated in the following paragraph "Going concern".

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

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

With regard to performance levels in the first half of 2020, see what described in the Directors' Report.

The interim condensed consolidated financial statements as at 30 June 2020 have been prepared on the basis of the cost method except for the derivative financial instruments, which are recorded at fair value.

In observance of that provided by Consob, the figures in the Statement of profit or loss are provided for the 2020 half-year and the period between the start of the business year and the half-year end closing date (progressive); they are compared with the figures for the same periods of the previous business year. The figures in the Statement of financial position concerning the half-year end closing date are compared with the figures at the closing date of the previous business year. Therefore, the comments on the items on the Income Statement are made with reference to the same period for the previous year (30 June 2019) while those for the Statement of financial position are made comparing to the previous business year (31 December 2019).

The following classifications have been used:

- "Statement of financial position" by current/ non-current items
- "Statement of profit or loss" by nature
- "Cash flows statement" (indirect method)
-

These classifications are deemed to provide information which is better suited to represent the economic and financial situation of the Group.

The figures are expressed in Euros.

The statements and tables contained in this interim condensed consolidated financial statements are shown in thousand Euros.

Going concern

The strategic approach, and the resulting guidelines, set out by the Company at the start of the impact on consumption caused by the spread of the pandemic have shown to be suited to this particular period in time and capable of ensuring that MARR maintains solid links with its partners and its reference market.
In particular, both the products-related and marketing initiatives implemented and the level of service guaranteed and modulated during the various different phases of the lockdown and subsequent gradual reopening, have been positively acknowledged, as they have ensured the correct market response to the needs of each specific moment in time. The support provided in this respect in terms of development of business opportunities that arose for clients from time to time (food delivery, take away, etc.) must also be added.
A similar positive assessment must also be given to the activities carried out in compliance with the "guidelines", less of a marketing and logistical nature, and more oriented towards management, such as enhancing the liquidity and the focused management of trade receivables and operating costs, with the priority remaining that of customer satisfaction.
All of this has enabled MARR to fully and immediately make the most of the signs of recovery in demand, as can be seen from the results achieved in June and from the preliminary figures for the July revenues.
This underscores and confirms the hypothesis put forward in May for a third quarter, which is the most significant time of the year for domestic tourism, with legitimate expectations of a recovery in consumption and the opportunity of bringing period results closer to those achieved in previous years.
The forecast for the gradual realignment of consumption to the values recorded in recent years is currently confirmed during the course of the second half of next year.
In this context, it is interesting to underline that the aforementioned closeness to the market and clients revolves around very important operational professionals in the business model characterising MARR Press release and which represent the real "Touchpoint" between Company and Market. These belong to the sales organization and logistical and distribution network, which are by nature very close to the clients.
The logistical and distribution network, that consists among others of 35 distribution centres and more than 750 vehicles, ensures a capillary nationwide coverage.
As regards the sales organization, which currently includes more than 850 Sales Technicians, it must be highlighted that recent months have confirmed the validity of the earlier choices made by MARR based on a specific "phygital marketing" project, in other words merging the "physical" and "digital" approaches, optimising direct contact between Customer and Company through the proper and balanced combination of the available skills and tools.
In particular, the importance has been confirmed of personal relationship between the Sales Technician and the Customer, which has enabled and continues to enable, for example, the illustration, with adequate skill and detail, of new product lines with high added value. This activity is supported by equally important "digital" methods, which enable repetitive orders and administrative activities to be streamlined, for example.
This cross-approach places the Customer at the centre of attention in business terms, as MARR has always tried to do in its choices, so that the former always feels "protected" and can increasingly focus on the development of its business. This also enables brand loyalty to be enhanced, as a result of the full satisfaction of the Partner-Customer.
Closeness to the client also enables the prompt management of credit, to which much attention is given through modulated solutions based on creditworthiness.

While considering the complexity of a rapidly evolving market context, the Company considers the going concern assumption appropriate and correct, taking into account its ability to meet its obligations in the foreseeable future and in particular in the next 12 months, also based on the solidity of the Group's financial structure with reference to which the following is highlighted:
- the significant sources of liquidity currently available;
- agreed credit lines ongoing and unused for a total amount of not less than 230 million Euros as at 30 June 2020;

- the support of the main banks, relying on its position of leadership in its business sector; the banking system paid out loans totaling more than 120 million Euros to the company during the lock-down;
- the support of the banks also led to the temporary suspension ("Covenant holiday") of the verification of the financial indices in the contracts that envisaged them as at 30 June 2020; this suspension was granted by all of the banks which have paid out loans for which a covenant breach was ascertained, as described in the previous paragraph 17;
- the same agreement is currently being finalized for those who subscribed to the bond loan ("USPP") in US dollars, part of which, for a total of 8.9 million Euros, was paid back on expiry, together with the relative interest, during July. In this regard, the directors believe that the obtainment of the covenant holiday by the USPP investors can also be deemed to be reasonably certain, once an approval process that is more complex from a formal viewpoint with respect to those for the other financial institutes, and thus requires more time, has been completed.

In addition to the factors considered above, the Group has taken note of a commitment on the part of government institutions to support the operators and subjects most affected by the effects of Covid-19 through safeguard measures that will be implemented in the coming months and which the Group intends use, where possible.

Scope of consolidation

The interim condensed consolidated financial statements as at 30 June 2020 include the financial statements of the Parent Company MARR S.p.A. and those of the companies it either directly or indirectly controls.

The complete list of subsidiaries included in the scope of consolidation as at 30 June 2020, with an indication of the method of consolidation, is reported in the Group organisation.
The consolidated financial statements have been prepared on the basis of the financial statements as at 30 June 2020 prepared by the subsidiaries included in the scope of consolidation and adjusted, if necessary, in order to align them to the accounting Group policies and classification criteria, in accordance with IFRS.

As at 30 June 2020 the scope of consolidation differs from that at 30 June 2019 due to the following transactions concluded by the Parent Company MARR:
- the acquisition on 13 November 2019 of 34% of the shares of Jolanda de Colò S.p.A., a company operating through a distribution and production centre with a surface area of more than 6,000 square metres located in Palmanova (Udine) and which is one of the main operators at a national level in the premium segment (high range), with more than 2,000 products of culinary excellence;
- the purchase on 11 March 2020 of the remaining 60% of the shares of SìFrutta S.r.l.; the purchase from the companies Sì Frutta S.r.l. and Vitali e Bagnoli Multiservice S.r.l. for a total price of 0.8 million Euros allowed MARR to acquire the total control of the shareholding.

Accounting policies

The criteria for assessment used for the purpose of predisposing the consolidated accounts up for the half-year closed on 30 June 2020 do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2019, excepted for new Accounting Standards, interpretations and changes to the Accounting Standards effective from 1st January 2020 which, it should be pointed out, have had no significant impact on the current equity, economic and financial situation of the Group.

- Changes to IAS 1 and IAS 8. These changes, published by the IASB on 31 October 2018, provide for a different definition of "material", in other words: "*Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity*".

- Changes to the Conceptual Framework for Financial Reporting, published by the IASB on 29 March 2018. The main changes compared to the 2010 version concern: i) a new chapter on assessment; ii) better definitions and guidance, especially as regards the definition of liabilities; iii) clarifications of important concepts, such as stewardship, prudence and uncertainties in assessments.

- Changes to IFRS 9, IAS 39 and IFRS 7 (Interest Rate Benchmark Reform). These changes focus on the accounting of hedging transactions in order to clarify the potential effects deriving from the uncertainty caused by the "Interest Rate Benchmark Reform". Furthermore, these changes require companies to provide additional information to the investors as regards their hedging transactions that are directly affected by these uncertainties.

- Changes to IFRS3 "Business Combination". These changes, issued by the IASB on 22 October 2018, are aimed at resolving the difficulties that arise when an entity determines whether it has purchased a business or group of assets.

The new accounting standards, amendments and interpretations applicable from subsequent financial years are mentioned below:

- IFRS 17 - "Insurance Contracts". This standard, issued on 18 May 2017, establishes the standards for the recognition, measurement, presentation and representation of insurance contracts included in the standard. The objective of IFRS 17 is to guarantee that an entity provides relevant information which truthfully represents such contracts in order to represent a basis for evaluation by the reader of the financial statements of the effects of such contracts on the equity and financial situation, on the economic results and on the cash flows of the entity. On 21 June 2018, the IASB decided to issue clarifications concerning IFRS 17 "Insurance Contracts", in order to ensure that the interpretation of the standard reflects the decisions taken by the Board, with specific reference to certain points in the contracts subject to variable fees and aspects correlated to IFRS 3 "Business combination". The dispositions of IFRS 17 will be effective as of business years beginning on 1 January 2021 or later.

- The IASB has published changes to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" with the aim of clarifying how to classify the payables and other liabilities as short-term or long-term. The changes will come into force on 1 January 2022; advance application is allowed.

Information by business sector

For the purposes of the application of IFRS 8 it is noted that the Group operates in the "Distribution of food products to non-domestic catering" sector only.

Main estimates adopted by management and discretional assessments

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

Estimates and hypotheses

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

- Impairment test: the non-financial assets with an indefinite lifetime are not amortized, but subjected to an impairment test annually or whenever there are indicators of loss of value. As at 30 June 2020, as a result of the significant repercussions on the Covid-19 health emergency on the Group operations, indicators of loss of values were identified for these assets and the management team has therefore performed an impairment test, the results of which are commented on in the notes.

- Expected credit losses: the Company is focusing strongly on the management of the trade receivables, implementing methods specific to the situations and requirements of each territorial area and Market segment; the objective remains that of safeguarding the company equity while remaining close to the clients, thereby enabling the prompt management of the receivables and enhancement of relations with clients themselves. In the light of the above, the management team has made a prudential estimate of the expected credit losses, which could be confirmed in coming months on the basis of the receipt of payments incoming until now, the result of which has been an increase in the allocation to the provision for bad debts compared to the same period last year.

- Economic and financial plans: the Company has reviewed the economic and financial forecasts and the 2020 trends, updating them as a result of the Covid-19 emergency. These forecasts may also be further influenced in coming months by the trends in the number of tourists and the recovery of market consumption levels.

- Others
  Other elements in the financial statements that were the object of estimate and assumptions by Management are inventory write-down and the determination of amortizations.
  These estimates, although supported by well-defined corporate procedures, require hypotheses to be made mainly concerning the future realisable nature of the value of inventories, as well as the remaining useful lifetime of assets that may be influenced by both market performance and the information available to Management.

Management of financial risks

The Covid-19 health emergency and the consequent containment dispositions imposed, with the stoppage of all catering and hotel activities from the end of February until 18 May, have had a significant impact on the dynamics of the sector in which the Group operates, causing economic and financial tensions that have involved all of the operators and have inevitably been reflected in the financial risks to which the Group is exposed during its business activities:

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

The management team immediately implemented a series of interventions aimed at managing both the trade net working capital, with specific regard to a continuous focus on credit management and inventories and financial management.
Specifically, MARR has defined a clear approach which has oriented its operating and management choices on the basis of certain strategic priorities.
On one hand, the improvement of liquidity and making the necessary financial resources available, also thanks to the support of its own shareholders following the suspension of the dividend despite the excellent results achieved in 2019.
In addition, discussions have begun with the banks granting the loans and the other financiers aimed at ensuring that the ongoing loans are maintained, which led during June and July to the finalization of important "covenant holiday" agreements for the temporary suspension of the verification of the financial indices contained in some of the loan contracts.

It has also worked towards consolidating its leadership and its relations with the Market, ensuring for its professional partners/clients a standard of services in full respect of the health and safety laws throughout the production line, capable of satisfying and guaranteeing the final Consumer. It has thus enhanced its relations with clients, ensuring a closeness to them that has enabled prompt credit management, to which much importance is given through solutions modulated on the basis of credit merit.

Classes of financial instruments

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

(€thousand)	30 June 2020			
Assets as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current derivative/financial instruments	0	4,751	0	4,751
Non-current financial receivables	482	0	0	482
Other non-current assets	51,430	0	0	51,430
Current financial receivables	16,395	0	0	16,395
Current derivative/financial instruments	0	1,322	0	1,322
Current trade receivables	315,564	0	0	315,564
Cash and cash equivalents	174,938	0	0	174,938
Other current receivables	36,521	0	0	36,521
Total	595,330	6,073	0	601,403
Liabilities as per balance sheet				
Non-current financial payables	172,119	0	0	172,119
Non-current lease liabilities (IFRS16)	35,622	0	0	35,622
Non-current derivative/financial instruments	0	44	0	44
Current financial payables	243,685	0	0	243,685
Current lease liabilities (IFRS16)	8,568	0	0	8,568
Current derivative financial instruments	0	1	0	1
Total	459,994	45	0	460,039

(€thousand)	31 December 2019			
Assets as per balance sheet	Amortized Cost	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)	Total
Non-current derivative/financial instruments	0	3,419	0	3,419
Non-current financial receivables	490	0	0	490
Other non-current assets	38,455	0	0	38,455
Current financial receivables	2,403	0	0	2,403
Current derivative/financial instruments	0	1,247	0	1,247
Current trade receivables	367,111	0	0	367,111
Cash and cash equivalents	192,493	0	0	192,493
Other current receivables	58,587	0	0	58,587
Total	659,539	4,666	0	664,205
Liabilities as per balance sheet				
Non-current financial payables	166,793	0	0	166,793
Non-current lease liabilities (IFRS16)	38,514	0	0	38,514
Non-current derivative/financial instruments	0	66	0	66
Current financial payables	178,802	0	0	178,802
Current lease liabilities (IFRS16)	7,911	0	0	7,911
Current derivative financial instruments	0	72	0	72
Total	392,020	138	0	392,158

In compliance with that required by IFRS 13, we would point out that the derived financial instruments, constituted by contracts for the coverage of exchange and interest rates, are classifiable as "Level 2" financial assets, in as much as the inputs which have a significant effect on the fair value registered are market figures observable directly (exchange and interest rate market).[iii] Similarly, as regards the non-current financial debts, are also classifiable as "Level 2" financial assets, in as much as the inputs influencing their fair value are market data which is directly observable.
As regards the other current and non-current assets, see that stated in paragraphs 8 and 15 of these explanatory notes.

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

Transactions with related parties

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

As regards the nature of relations with them, please refer to what illustrated in the following Annex 2

It is recalled that transactions with related parties were carried out in compliance with the provisions of the law in force, on the basis of mutual economic convenience.

Significant events during the first half-year 2020 and after the closing the first half-year 2020

As regards the significant events that occurred in the first half of the year, reference should be made to the contents of the Directors' Report.

Among the events subsequent to the end of the first half-year, as highlighted in the following paragraph 17 "Non-current financial payables" and in the paragraph "Going concern" (to which reference should be made for further details), the following is noted:
- on 10 July 2020, the Parent Company repaid to the investors the due principal installment of the bond private placement in US dollars stipulated in 2013 together with the six-monthly interest payment, with a total outlay of 8,514 thousand Euros;
- on July, the "covenant holiday" agreements were finalised with the banks providing loans which provide for compliance with financial ratios as at 30 June 2020; the same agreement is being finalized with the investors who have signed the bond private placement in US dollar ("USPP") referred to in the previous point.

Others information

During the half-year, the Group did not carry out any atypical or unusual operations.

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

ASSETS

Non-current assets

1. Tangible assets

(€thousand)	Balance at 30.06.20	Purchases	Net decreases	Other movements	Depreciation	Change in consolidation	Balance at 31.12.19
Land and buildings	50,135	40	(22)	0	(1,441)	0	51,558
Leasehold imporvements	2,234	212	0	0	(139)	0	2,161
Plant and machinery	6,869	1,086	0	0	(1,034)	47	6,770
Industrial and business equipment	1,658	190	(12)	0	(176)	0	1,656
Other assets	2,615	234	(123)	(1)	(610)	170	2,945
Fixed assets under development and advances	9,058	3,188	0	0	0	0	5,870
Total tangible assets	72,569	4,950	(157)	(1)	(3,400)	217	70,960

The changes shown in the columns "Change in consolidation" represent the net book value of the tangible fixed assets purchased with the control and the consequent consolidation of the subsidiary SiFrutta S.r.l..

The investments for the half-year are shown in the "purchases" column.
In particular, in the category "fixed assets under development and advances", we recall the continuation of construction works on the new headquarters in the municipality of Santarcangelo di Romagna with a total investment in the period of 2,845 thousand Euros while in the items "plant and machinery" , "leasehold improvements " and "industrial and commercial equipment" are shown investments made mainly in the distribution centres of the Parent Company.

With reference to the increases in the item "Other assets", they mainly refer to the purchase of electronic machines and industrial vehicles; the decreases refers almost totally to the sales of vehicles by the subsidiary SiFrutta.

As subsequently indicated, in the commentary on the financial payables item, during the first quarter, following the repayment at maturity of the loan with Banca Intesa San Paolo, the mortgage guarantee amounting to 10,000 thousand Euros outstanding on the property located in Bottegone (PT) - Via Francesco Toni 285/297 was canceled.

2. Right of use

(€thousand)	Balance at 30.06.20	Purchases	Net decreases	Depreciation	Change in consolidation	Balance at 31.12.19
Land and buildings - Right of use	41,549	989	(1,076)	(4,245)	522	45,359
Other assets - Right of use	1,349	1,462	(2)	(189)	0	78
Total Right of use	42,898	2,451	(1,078)	(4,434)	522	45,437

This item represents the actualised value of the future leasing fees concerning the operating lease contracts with a multi-annual duration that were ongoing as at 30 June 2020.

The value above consists of 43 lease contracts: 33 related to industrial buildings in which some distribution centres of the Parent Company and of the subsidiary New Catering are located and 10 related to other assets.

3. Goodwill

(€thousand)	Balance at 30.06.20	Purchases/other movements	Balance at 31.12.19
Marr S.p.A.	136,205	0	136,205
AS.CA S.p.a.	8,634	0	8,634
New Catering S.r.l.	5,082	0	5,082
Sì Frutta S.r.l.	1,147	1,147	0
Total Goodwill	151,068	1,147	149,921

Goodwill is not subject to amortization; the recoverability of its book value is determined at least each year and, in any case, whenever in the presence of events implying an impairment.

As a result of the significant repercussions on the Group volumes and margins caused by the Covid-19 health emergency, the Management has identified an indicator of potential loss of value of the goodwill and has therefore recalculated the recoverable value of the CGU to which the goodwill was allocated as at 30 June 2020. The recoverable value of the CGU to which the individual assets are attributed was verified by re-determining the value in use.

The estimate of the value of use of the groups of CGU for the impairment test was based on the actualization of the cash flows of the groups of CGU, determined on the basis of a prudent review of the forecasts previously used in support of the preparation of the annual financial disclosure as at 31 December 2019, in order to take into consideration the potential effects and risks related to the Covid-19 health emergency from a conservative viewpoint. Consistently with the models used historically, the expected future cash flows include a normalized value ("terminal value") used to estimate the future results beyond the timeframe specifically considered (relative to a period of 4 years). The terminal value was determined using a long-term growth rate ("g rate") of zero.

The expected future cash flows were actualized at a weighted average cost of capital ("WACC") of 5.68% (4.12% as at 31 December 2019), which reflects the current market valuation of the temporal value of cash for the period taken into consideration and the specific risks in the country comprising each individual CGU and the impact of Covid-19.

On the basis of the impairment test carried out, the values of the above goodwill, equal to 151,068 thousand Euros, are fully recoverable, with large levels of headroom for both Cash Generating Units.

With regard to this valuation, the management believes that, also given the prudence used in defining the key assumptions used, a change in the same cannot reasonably occur such as to produce a recoverable value of the units lower than the book value of the same.

Corporate aggregations realised during the first half-year

On 11 March 2020 the Parent Company purchased the remaining 60% of the shares of the company SìFrutta S.r.l., already 40% owned.

The operation has the following effects:

Purchase consideration	*(€thousand)*
Total purchase consideration	1,206
- Fair value of the net assets identifiable	59
Goodwill	1,147

The cost of the aggregation is determined by the purchase price defined in the sales contracts, 40% of which were finalised in 2018 and the remaining 60% in the first quarter of 2020; it also includes a portion of indemnities paid out by MARR to the vendors and the impairment of the holding accounted for as at 31 December 2019.

The details of the net assets acquired and goodwill are as follows:

(€thousand)	*Book value of acquired company*	*Fair value of activities and liabilities acquired*
Tangible and intangible assets	740	740
Inventories	189	189
Trade receivables	1,391	1,391
Other current acativities	633	633
Net financial indebtedness	(1,172)	(1,172)
Employee benefits	(23)	(23)
Current trade liabilities	(1,585)	(1,585)
Employee benefits	(114)	(114)
Fair value of net identifiable assets acquired	59	59

The goodwill, provisionally attributed to the purchase, is justified by the strategic value of the business purchased, operating in the supply of fresh fruit and vegetable products to clients in the sector of hotels, restaurants, organized catering and industrial transformation processes.
It should be noted that in the first half of the year the subsidiary SìFrutta S.r.l. has generated sales revenues for 2,446 thousand Euros.

The price paid out in the quarter, net of cash acquired amounts to 615 thousand Euros.

Corporate aggregations realised after the closing of the half-year

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

4. Other intangible assets

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

(€thousand)	Balance at 30.06.20	Purchases	Net decreases	Other movements	Depreciation	Change in consolidation	Balance at 31.12.19
Patents	1,232	92	0	138	(203)	1	1,204
Concessions, licenses, trademarks and similar rights	13	0	0	0	(1)	0	14
Intangible assets under development and advances	1,115	85	0	(138)	0	0	1,168
Other intangible assets	0	0	0	0	0	0	0
Total Other Intangible Fixed Assets	2,360	177	0	0	(204)	1	2,386

The increases are mainly related to new licenses, software and applications, partly became operational during the course of the half-year, partly still being implemented as at 30 June 2020 and are therefore included in the item "Intangible assets under development and advances".

5. Equity investments evaluated using the Net Equity Method

As at 30 June 2020 the item amounted to 1,883 thousand Euros and represents the valuation of the 34% holding in the company Jolanda de Colò S.p.A..

6. Non-current financial receivables

As at 30 June 2020, this item amounted to 482 thousand Euros (490 thousand Euros as at 31 December 2019) and includes 250 thousand Euros for the quota beyond the year of interest-bearing financial receivables from commercial partner companies and the quota beyond the year (totalling 229 thousand Euros) of receivables from transporters for the sale of the transport vehicles used to move MARR goods.

7. Deferred tax assets and deferred tax liabilities

At 30 June 2020 this item amounted to a positive net balance of 3,449 thousand Euros (-1,622 thousand Euros at 31 December 2019). The amount is determined by deferred tax credits for 17,485 thousand Euros (mainly related to the allocation of taxed funds and to deferred tax assets on the tax loss for the half-year) net of deferred tax liabilities equal to 14,036 thousand Euros.
On the basis of the long-term plans approved, the management considers these receivables recoverable with future taxable income.

8. Other non-current assets

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Non-current trade receivables	18,169	9,142
Accrued income and prepaid expenses	3,980	4,015
Other non-current receivables	29,281	25,298
Total Other non-current assets	51,430	38,455

The "Non-current trade receivables", amounting to 18,169 thousand Euros (of which 1,953 thousand Euros was with an expiry date of over 5 years) mainly concerns agreements and delays in payment defined with the customers.
The prepaid expenses are mainly linked to promotional contributions with clients of a multi-annual nature (the amount with expiring date over 5 years is estimated at around 2,640 thousand Euros).
The item "Other non-current receivables" includes, in addition to receivables from State coffers for loss of clients of 6,222 thousand Euros, also receivables from suppliers for 22,659 thousand Euros (18,217 thousand Euros as at 31 December 2019), of which 579 thousand Euros with an expiry date over 5 years.

Current assets

9. Inventories

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Finished goods and goods for resale		
Foodstuff	35,660	38,998
Meat	15,255	15,389
Seafood	91,699	104,516
Fruit and vegetables	254	32
Hotel equipment	2,649	2,379
	145,517	161,314
provision for write-down of inventories	(1,718)	(651)
Goods in transit	2,060	7,306
Packaging	2,418	2,426
Total Inventories	148,277	170,395

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

Usually, the seasonal trends mainly linked to the tourist season have led to an increase in the items included in the net working capital as at 30 June, and therefore of the inventories in preparation for the summer season. At the end of the first half of 2020, as also highlighted in the directors' report, the value of the inventories has decreased by 22.1 million Euros compared to the same period in 2019, principally as a result of the careful review of the procurement policy implemented during the lock-down and the recovery of catering activities as of 18 May last.

The following table shows the half-year movement of the item which show an allocation for the period to the provision for the write-down of inventories of 1,067 thousand Euros in order to align the inventories to their presumed realizable value.

(€thousand)	Balance at 30.06.20	Other Change	Balance at 31.12.19
Finished goods and goods for resale	145,517	(15,797)	161,314
Goods in transit	2,060	(5,246)	7,306
Packaging	2,418	(8)	2,426
	149,995	(21,051)	171,046
Provision for write-down of inventories	(1,718)	(1,067)	(651)
Total Inventories	148,277	(22,118)	170,395

10. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Financial receivables from Parent Companies	15,620	1,843
Receivables from loans granted to third parties	775	560
Total Current financial receivables	16,395	2,403

The *Receivables for loans granted to third parties*, all of which are interest-bearing, refer mainly to receivables towards truck drivers (amounting to 694 thousand Euros) consequent to the sale to the latter of the trucks used by them to transport MARR products and to service-supplying partners (65 thousand Euros).
It must be noted that the receivables from Parent Companies are interest-bearing (at rates in line with market rates).

11. Financial instruments / derivatives

As at 30 June 2020 the amount, classified for 4,751 thousand Euros (3,419 thousand Euros as at 31 December 2019) in the non-current assets and for 1,322 in the current assets (1,247 thousand Euros as at 31 December 2019), represents the positive fair value of the Cross Currency Swap contracts stipulated by the Parent Company to hedge the risk of changes in the dollar against the euro, with reference to the bond private placement in US dollars finalised in July 2013.

As highlighted in the Directors' Report and in the subsequent paragraphs 17 and 23 of these Notes (to which reference should be made for further details on the matter) it is recalled that the underlying bond is fully classified among the Group's current financial liabilities as at 30 June 2020.

It should be noted that in July the Cross Currency Swap contract classified short was terminated, together with the repayment of the bond debt related to it.
Both the two residual contracts have expiring date in 2023.

The change compared to the end of the previous business year is linked to the performance during the period of the US dollar-Euro exchange rate.

It should be noted that, consistently with the possibility offered by the new IFRS9 (paragraph 7.2.21 on "Transitory dispositions concerning the accounting of hedging operations"), the Group has opted to continue to apply the dispositions concerning the accounting of hedging operations of which in IAS 39 to this type of operations.

12. Current trade receivables

This item is composed of:

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Receivables from customers	359,579	398,227
Trade receivables from Parent Companies	13	738
Total current trade receivables from customers	359,592	398,965
Bad debt provision	(44,028)	(38,744)
Total net current trade receivables from customers	315,564	360,221

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Trade receivables from customers	355,587	388,058
Receivables from Associated Companies	0	12
Receivables from Affiliated Consolidated Companies by the Cremonini Group	3,992	10,154
Receivables from Affiliated not Consolidated Companies by the Cremonini Group	0	3
Total current trade receivables	359,579	398,227

The receivables from customers due within the year, deriving in part from normal sales operations and in part from the supply of services, have been valued on the basis of that indicated above. Receivables are shown net of bad debt provision of 44,028 thousand Euros, as highlighted in the subsequent movement.

The receivables "from affiliated companies consolidated by the Cremonini Group" (3,992 thousand Euros) are analytically outlined in the table exposed in the Directors' Report and in the Appendix 2 oh these Explanatory Notes. These receivables are all of a commercial nature.

It should be noted that as at 30 June 2020 the payables to customers for year-end bonuses were classified as a reduction of commercial activities rather than in other payables; the values as at 31 December 2019 have been restated for comparative purposes.

The item Trade receivables is net of a credit transfer program on an ongoing and without recourse basis following a contract initially signed in May 2014 and subsequently renewed in December 2018 for a further period of 5 years.

As at 30 June 2020, the outstanding transferred is equal to 43,214 thousand Euros (65,553 thousand Euros as at 31 December 2019 and 67,663 thousand Euros as at 30 June 2019).

Receivables in foreign currencies have been adjusted to the exchange rate valid on 30 June 2020.

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

During 2020, the provision for the write-down of receivables recorded the following movements and the determination of the period allocation reflects the exposure of the receivables – net of the write-down provision – at their presumable realisation value.

(€thousand)	Balance at 30.06.20	Increases	Other movements	Decreases	Consolidation change	Balance at 31.12.19
- Tax-deductible provision	1,024	939	52	(2,118)	10	2,141
- Taxed provision	42,918	7,319	(52)	(875)	10	36,516
- Provision for interest for late payments	86	0	0	(1)	0	87
Total Provision for write-down of Receivables from customers	44,028	8,258	0	(2,994)	20	38,744

The determination of the provision for write-down of receivables as at 30 June 2020 is the result of the careful credit management promptly modulated on the basis of credit merit and which has enabled a constant, albeit at times minimal, cash flow to be maintained. The management has evaluated the adoption of a prudential conduct as regards the allocation for the half-year, in order to take into consideration the financial difficulties of operators in the sector in a market context that has only just restarted and it is hoped will return to normal business levels as soon as possible.

13. Tax assets

This item amount to 2,351 thousand Euros (2,103 thousand Euros as at 31 December 2019) and mainly includes the followings:

- *Receivables for VAT brought forward* for 1,533 thousand Euros represented by deferred VAT receivables, partly from Spain (1,287 thousand Euros) and partly correlated to the deductibility of VAT from customs bills accounted before the closure of the year (amounting to 246 thousand Euros);
- VAT receivables from overseas (Spain), requested as reimbursement from the competent authorities for total 273 thousand Euros.
- VAT receivables amounting to 301 thousand Euros and deriving from the subsidiary SìFrutta as it does not adhere to the Group VAT settlement and therefore not transferred to Cremonini S.p.A .

14. Cash and cash equivalents

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

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Cash and Cheques	3,753	10,873
Bank and postal accounts	171,185	181,620
Total Cash and cash equivalents	174,938	192,493

With regard to the changes to the net financial position, refer to the cash flows statement for the first half of 2020, instead for its composition, refer to the comments in the paragraph "Analysis of the Net Financial Position" in Directors' Report.

15. Other current assets

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Accrued income and prepaid expenses	1,431	359
Other receivables	35,090	54,869
Total Other current assets	36,521	55,228

The item "Other receivables" is composed as follow.

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Guarantee deposits	130	130
Other sundry receivables	1,674	1,273
Provision for write-down of receivables from others	(5,084)	(4,884)
Receivables from social security institutions	423	249
Receivables from agents	2,047	1,723
Receivables from employees	1,025	45
Receivables from insurance companies	784	943
Advances and deposits	372	355
Advances to suppliers and supplier credit balances	33,476	54,601
Advances to suppliers and supplier credit balances from Associates	243	434
Total Other current receivables	35,090	54,869

The item Advances to suppliers and supplier credit balances includes, in addition to the payments made to foreign suppliers (non-EU) for the purchase of goods with "f.o.b. clause" or advance payment on next fishing campaigns (for 18,769 thousand Euros; 18,824 thousand Euros as at 31 December 2019), also receivables for contributions to be received from suppliers totalling 10,637 thousand Euros (see the comments made in the paragraphs 30 "Other revenues" and 31 "Purchase of goods for resale and consumables").
Receivables from foreign suppliers in foreign currencies have been adjusted, if necessary, to the exchange rate valid on 30 June 2020.

It should be noted that at 30 June 2020 part of the receivable from suppliers, relating to year-end bonuses to be received, was classified as a reduction of commercial liabilities; the values as at 31 December 2019 have been restated for comparative purposes.

The "Provision for write-down of receivables from others" amounts to 5,084 thousand Euros and refers to receivables relates to agents for 1,100 thousand Euros and for the remainder to receivables from suppliers. During the half-year it showed the following changes:

(€thousand)	Balance at 30.06.20	Increases	Decreases	Consolidation change	Balance at 31.12.19
- Provision for Receivables from Others	5,084	200	0	0	4,884
Total Provision for write-down of Receivables from Others	5,084	200	0	0	4,884

LIABILITIES

16. Shareholders' Equity

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

Share Capital
The Share Capital as at 30 June 2020, amounting to 33,263 thousand Euros, is represented by 66,525,120 MARR S.p.A. ordinary shares, entirely subscribed and paid up, with regular benefit, of a nominal value of 0.50 Euros.

Share premium reserve
As at 30 June 2020 this reserve amounts to 63,348 thousand Euros and does not appear to have changed since 31 December 2019.

Legal reserve
This Reserve amounts to 6,652 thousand Euros and does not appear to have changed since 31 December 2019.

Shareholders' contributions on account of capital
This Reserve did not change in 2020 and amounts to 36,496 thousand Euros.

Reserve for transition to IAS/IFRS
This is the reserve (amounting to 7,291 thousand Euros) set up following the first time adoption of the international accounting standards.

Extraordinary Reserve
As at 30 June 2020, the increase of 64,349 thousand Euros, is attributable to the allocation of part of the profits for the year closed on 31 December 2019, as per shareholder meeting's decision made on 28 April 2020.

Cash flow hedge reserve
As at 30 June 2020, this item amounted to 458 thousand Euros (-588 thousand Euros as at 31 December 2019) and was linked to the stipulation both of hedging contracts for interest and exchange rates undertaken for the specific hedging of a loan in foreign currency, in addition to those for trade payables due to purchase of goods in foreign currency and the interest rate hedging contracts started for the specific hedging of variable-rate loan agreements.
As regards the movements in this reserve and the other profits/losses in the Statement of Comprehensive Income, see that described in the Consolidated Statement of Changes in the Shareholders' Equity and in paragraph 40 "Other profits/losses", as well as in paragraph 11, 19 and 25 in these explanatory notes.

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

Reserve IAS19
As at 30 June 2020, this reserve amounts to a negative value of 808 thousand Euros and is composed of the value, net of the theoretical tax effect, of actuarial losses and gains regarding the evaluation of Staff Severance Provision as required by amendments to IAS principle 19 "Employee Benefits", effective for the business years starting on 1st January 2013. According to the IFRS these profits/losses have been entered in the net equity and their variation is highlighted (according to IAS 1 revised, in force from 1st January 2009) in the consolidated comprehensive income statement.

Whit regard to the reserves in taxation suspension (ex. Art. 55 DPR 917/86 and 597/73 reserve), amounting to 1,455 thousand Euros as at 30 June 2020, the relevant deferred tax liabilities have been accounted for.

On 28 April 2020 the Shareholders' meeting approved the MARR S.p.A. financial statements as at 31 December 2019 and decided to suspend the distribution of 2019 dividends and to allocate the profit for the year to the extraordinary reserve.

Non-current liabilities

17. Non-current financial payables

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Payables to banks - non-current portion	172,119	137,491
Payables to other financial institutions - non-current portion	0	29,302
Total non-current financial payables	172,119	166,793

The change in non-current payables to banks is due to the combined effect of the subscription of new bank loans and the different classification adopted for some loans.

As commented on in the Directors' Report, the lock-down imposed by the institutions as a result of the Covid-19 health emergency and the consequent almost total closure of catering activities from 11 March to 18 May has had a significant impact on the economic management of the Group, with obvious effects on the net financial position as well.
As a result of this trend, the management team has performed a careful analysis of the financial covenants required by the banks for the ongoing loans, with specific focus is on the loans which involve the monitoring of the indices not only at the end of the year but also on 30 June each year, with regard to the preceding twelve months, thereby encompassing a first half-year of 2020 that was anomalous and particularly penalized from an economic and financial viewpoint.
This analysis has led to the identification of the breach covenants concerning five contracts as a result of exceeding one of the indices envisaged contractually, which is that concerning the ratio between net financial indebtedness and EBITDA. For these loans, the management team has filed a request to the respective banks for a temporary suspension of the verification of the financial parameters (Net Financial Indebtedness / EBITDA; Net Financial Indebtedness / Net Equity; EBITDA / Net financial charges).

The "covenant holiday" agreement was signed with Unicredit Banca on 22 June 2020, while it was finalized with Banca Nazionale del Lavoro, BNP Paribas and Mediobanca in July.

The same agreement is currently being finalized for those who subscribed to the bond loan ("USPP") in US dollars, part of which, for a total of 8.9 million Euros, was paid back on expiry, together with the relative interest, during July. In this regard, the directors believe that the obtainment of the covenant holiday by the USPP investors can also be deemed to be reasonably certain, once an approval process that is more complex from a formal viewpoint with respect to those for the other financial institutes, and thus requires more time, has been completed.

As at 30 June 2020, in the light of the above and consistently with than envisaged by the IFRS, the portions expiring after June 2021 of the loans with Banca Nazionale del Lavoro, BNP Paribas and Mediobanca, and the bond loan in US dollars expiring in July 2023, have been temporarily classified under the current financial payables, for a total value amounting respectively to 71,813 thousand Euros for the banks and 29,364 thousand Euros for the other financiers.
The subsequent signature of the covenant holiday agreements mentioned above will enable the Group to again classify these loans among the non-current liabilities as of the end of the next quarter.

In addition to the above, the following new loans were signed in the first half of the year:

- loan signed on 24 February 2020 with Banca Intesa San Paolo for total 50 million Euros, divided into two tranches, one of 20 million Euros (granted on 26 February) and the other "bullet" of 30 million Euros (granted on 25 March 2020), both expiring in February;
- loan granted on 4 March 2020 by Credito Emiliano for 7.5 million Euros, with amortization plan ending in March 2023;
- loan granted on 9 April 2020 by Credit Agricole Italia for 10 million Euros, with amortization plan ending in April 2026.
- loan granted on 13 May 2020 by Unicredit for 30 million Euros, with amortization plan ending in May 2022.
- loan granted on 20 May 2020 by UBI Banca for 25 million Euros, with amortization plan ending in May 2023.

In view of the above, it should also be noted that the two outstanding loans with Banca Intesa San Paolo, which at 31 December 2019, were classified as 9.5 million Euros in current financial payables and 10.3 million Euros in non-current financial debt, those loans were paid off early for a total amount of 19.8 million Euros.

In January the last installment of the mortgage loan in place with Banca Intesa San Paolo was also paid and the related mortgage, imposed on the Parent Company's property located in Pistoia - Bottegone locality, was canceled.

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

Credit institutes	Due date	Residual value	Covenants			Reference Date	
			PFN/ Net Equity	PFN/ EBITDA	EBITDA/ Net financial charges	30 June	31 December
Pool BNP Paribas	30/06/2022	37,052	< 2,0	< 3,5	> 4,0	✔	✔
BNL	30/09/2023	29,967	=< 2,0	=< 3,0	>= 4,0	✔	✔
Crédit Agricole Cariparma	19/05/2021	2,521	< 2,0	< 4,0			✔
Credito Valtellinese	05/01/2024	7,519	=< 2,0	=< 3,5			✔
Iccrea in Pool	21/09/2021	16,929	=< 2,0	=< 3,0			✔
Banca Popolare dell'Emilia Romagna	21/12/2021	4,998	=< 2,0	=< 3,0			✔
Credem	18/07/2021	3,132		=< 3,15	>= 14,5		✔
Ubi Banca	19/07/2021	5,556	=< 1,5	=< 3,0			✔
Mediobanca	30/04/2024	31,039	< 1,5	< 3,0	> 4,0	✔	✔
CaixaBank	31/10/2024	24,966	=< 2,0	=< 3,5			✔
Intesa - Tranche A	24/02/2023	19,950	=< 2,0	=< 3,5	>= 4,0		✔
Intesa - Tranche B	24/02/2023	29,920	=< 2,0	=< 3,5	>= 4,0		✔
Unicredit	11/04/2022	16,648	=< 2,0	=< 3,0	>= 4,0	✔	✔
Unicredit	13/05/2022	29,972	=< 2,0	=< 3,0	>= 4,0	✔ *	✔
Crédit Agricole	09/04/2026	9,953	=< 2,0	=< 4,0			✔
Ubi Banca	20/05/2023	24,953	=< 2,0	=< 3,0			✔
		295,075					
Private Placement Bond - 7 years	11/07/2020	8,882	< 2,0	< 3,5	> 4,0	✔	✔
Private Placement Bond - 10 years	11/07/2023	29,364	< 2,0	< 3,5	> 4,0	✔	✔
		38,246					

* These covenants are applicable with effect from 31 December 2020; as at 30 June 2020 there is no half-yearly verification.

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

(€thousand)	Book Value		Fair Value	
	2020	2019	2020	2019
Payables to banks - non-current portion	172,119	137,491	171,558	137,044
Payables to other financial institutions - non-current portion	0	29,302	0	28,688
	172,119	166,793	171,558	165,732

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

18. Non-current lease liabilities (IFRS16)

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Financial payables for leases - Right of use (2-5 years)	21,174	22,399
Financial payables for leases - Right of use (over 5 years)	14,448	16,115
Total payables for leases - Right of use - Non-current portion	35,622	38,514

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

19. Financial instruments / derivatives

The amount as at 30 June 2020, amounting to a financial liability of 44 thousand Euros, represents the fair value of the Interest Rate Swap contract stipulated in May with Unicredit, The contract, with a notional residual value of 16,667 thousand Euros as at 30 June 2020, expires in April 2022 and was signed to hedge the ongoing variable-rate loan for the same amount with the same bank.
This contract is accounted as the hedging of financial flows.

20. Employee benefits

The employment contract applied is that of companies operating in the "Tertiary, Distribution and Services" sector.
As at 30 June 2020 this item amounts to 7,488 thousand Euros, a decrease compared to 31 December 2019 (8,298 thousand Euros) due to the Group employee turnover.

21. Provisions for non-current risks and charges

(€thousand)	Balance at 30.06.20	Provisions	Uses	Consolidation change	Balance at 31.12.19
Provision for supplementary clients severance indemnity	5,550	432	(28)	0	5,146
Provision for specific risk	1,030	0	(9)	0	1,039
Total Provisions for non-current risks and charges	6,580	432	(37)	0	6,185

The provision for supplementary clients severance indemnity has been allocated in compliance with IAS 37 on the basis of a reasonable estimate of probable future liabilities, considering the available elements.

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

As concerns the ongoing dispute with Customs and Excise Office (arose during the course of 2007, concerning the payment of preferential customs duties on certain imports of fish products and for which, despite the appeals made by the Company being rejected, the judges in the initial proceedings ascertained the complete extraneousness of the Company as regards the claimed irregularities, as they are exclusively attributable to its own suppliers), it should be noted that in May 2013, the Company submitted an appeal to the Supreme Court of Cassation.
On 16 April 2019, the Supreme Court emanated an ordinance filed in the chancellery on 6 June 2019, in which the request by MARR for an integral reform of the sentence emanated by the second degree judges was accepted, and the impugned sentence was quashed, thereby deferring the dispute before a new set of judges of the Regional Taxation Court of Tuscany, detached section of Livorno. In the light of that already ordered by the Supreme Court of Cassation in the original ordinance, it appears reasonable to expect that the final outcome of the dispute will be favourable to the Company.
Lastly, it must be pointed out that on 29 June 2017, the Taxation Unit of the Guardia di Finanza (Finance Police) in Rimini started a tax inspection of a general nature (IRES, IRAP, VAT and other taxes) with MARR concerning the 2015 and subsequent fiscal years. The inspection ended and a Final Report was drawn up in which it was claimed that there had only been one presumed irregularity committed by MARR during the years involved. Specifically, this was the reduction, made pursuant to art. 87, paragraph 1 of Legislative Decree 917/86, amounting to 95% of the capital gains accrued during the 2015 business year, concerning the sale of the 55% holding in the share capital of the company Alisea Società Consortile a r.l., which was deemed to be improper. Considering the opinion expressed by our consultants, we believe that this presumed irregularity is unfounded, given that the Company acted correctly in determining the business profits. Because of this, on 20 December 2017, we filed with the Inland Revenue Service – Emilia Romagna Regional office and with the Inland Revenue Service – Rimini Provincial Office illustrative memorandums in which the reasons for the unfoundedness of the claim made were described analytically. As of the date of the aforementioned ascertainment report, there have been

no disputes and, in any event, even were the Inland Revenue Service to take legal action, we believe on the basis of the opinion of the legal advisors assisting the Company, that this would probably be resolved in favour of MARR.

22. Other non-current liabilities

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Other non-current liabilities	1,349	1,180
Other non-current accrued expenses and deferred income	111	14
Total other non-current payables	1,460	1,194

The item "other liabilities" is represented by security deposits paid by transporters.
This item "other non-current accrued expenses and deferred income" represents the quota over the year for deferred financial income from customers.
There is no accrued income and prepaid expenses or other liabilities with expiring date over 5 years.

Current liabilities

23. Current financial payables

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Payables to banks	132,626	168,872
Payables to banks - installments due after June 30, 2021	71,813	0
Payables to other financial institutions	9,882	9,930
Payables to other financial institutions - installments due after June 30, 2021	29,364	0
Total Current financial payables	243,685	178,802

As at 30 June 2020, as specified both in the Directors' Report in the comments on the Net Financial Position and in paragraph 17 "Non-current financial payables" of these Explanatory Notes, some loans, for which the covenant holiday agreements were finalized in July 2020, were classified among current liabilities for a total of 101,177 thousand.
The agreements subsequently signed will allow the Group to continue planning the related financial flows as per the original amortization plan.

The balance of payables to other financial institution is mainly represented by the bond private placement in US dollars, finalised by the Parent Company in July 2013 and expiring partly in July 2020 and partly in July 2023.
It should be noted that on 10 July 2020 the Parent Company repaid to investors both the principal amount due and the half-yearly installment of interest for a total outlay of 8,514 thousand of Euros.

It is recalled that, to hedge the risk of oscillations in the Euro-Dollar exchange rate, specific Cross Currency Swap contracts are ongoing (classified under current assets for the part maturing in July 2021 and among non-current assets for those maturing in 2023), for the effects of which see paragraph 11 of these explanatory notes.

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

24. Current lease liabilities (IFRS16)

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Financial payables for leases - Right of use	8,568	7,911
Total Payables for leases - Current portion	8,568	7,911

This item includes the financial payables expiring within one year, mainly concerning the multi-annual lease contracts for the facilities of some of the distribution centres of the Parent Company and of the subsidiaries New Catering and SìFrutta.
As already mentioned in paragraph 18 with regard to the non-current portion of the financial payables for leases, it is recalled that this liability has been accounted in compliance with that provided by the new IFRS16 effective as of 1 January 2019 and is calculated as the current value of the future lease payments, actualised at a marginal interest rate which, on the basis of the multi-annual contractual duration for each individual contract, has been included in the range of between 1% and 3%.

25. Financial instruments / derivatives

The amount as at 30 June 2020, equal to 1 thousand Euros, concerns forward transactions in foreign currency undertaken by the Parent Company to hedge the underlying transactions for the purchase of goods. These transactions are accounted as hedging financial flows.

26. Current tax liabilities

The item amounts to 4,706 thousand Euros (3,742 thousand Euros as at 31 December 2019).

As regards MARR S.p.A., the 2016 and following business years can still be verifiable by the fiscal authorities, by reason of the ordinary verification deadlines and excluding currently pending fiscal litigations.

The items mainly includes the following:
- payables for Ires and Irap accrued for the year 2019 and the first half of 2020, amounting to 2,103 thousand Euros (of which 2,045 thousand Euros to the Parent Company Cremonini due to the adhesion to the National Fiscal Consolidation);
- payables for IRPEF for dependent employees and external collaborators, for a total amount of 2,000 thousand Euros.

27. Current trade liabilities

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Payables to suppliers	187,264	319,773
Trade payables to Parent Companies	3,294	87
Payables to Associated Companies consolidated by the Cremonini Group	13,424	9,565
Payables to Associated Companies	2	215
Total current trade liabilities	203,984	329,640

The current trade liabilities was mainly refer to the purchase of goods for sale and payables to sales agents. Was also included "Payables to Associated Companies consolidated by the Cremonini Group" for 13,424 thousand Euros, "Trade payables to Parent Companies" for 3,294 thousand Euros and "Payables to Associated Companies" for 2 thousand Euros and the analytics detail of which are explain in the Appendix 2 of these Explanatory Notes.

It should be noted that at 30 June 2020 part of the receivable from suppliers relating to year-end bonuses to be received was classified as a reduction of commercial liabilities; the values as at 31 December 2019 have been restated for comparative purposes.

28. Other current liabilities

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Accrued income and prepaid expenses due	348	98
Other payables	15,114	15,179
Total other current liabilities	15,462	15,277

The item "*Accrued income and prepaid expenses due*" includes the deferred interest income to customers for 156 thousand Euros.

The item "Other payables" mainly includes the following items:
- advance payments and other payables from clients amounting to 3,686 thousand Euros (as already highlighted in paragraph 12 "Trade receivables", it is noted that the column as at 31 December 2019 has been restated in response to the reclassification of payables to customers for year-end bonuses to be recognized as a reduction of the trade receivables themselves);
- payables to personnel for emoluments amounting to 6,033 thousand Euros, including the current remuneration to be paid as at 30 June 2020 and accruals for holidays / leave and additional months accrued;
- payables to social security institutes for 3,835 thousand Euros.

Guarantees, securities and commitments

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

Guarantees (totalling 16,393 thousand Euros).
These refer to:

- guarantees issued on behalf of MARR S.p.A. in favour of third parties (amounting to 10,793 thousand Euros) and are guarantees granted on our request by credit institutions to guarantee the correct and punctual execution of tender and other contracts of a duration of either within the year or over the year;
- guarantees issued by MARR S.p.A. in favour of financial institutes in the interest of subsidiary companies. This item amounted to a total of 5,600 thousand Euros as at 30 June 2020 and refers to credit lines granted to subsidiaries.

(€thousand)	Balance at 30.06.20	Balance at 31.12.19
Guarantees		
AS.CA S.p.A.	5,600	5,600
Total Guarantees	5,600	5,600

Collaterals
As described in the comment on the items "non-current financial payables" and "tangible fixed assets", mortgage guarantees on the Group's properties are no longer in place as at 30 June 2020.

Other risks and commitments
This item includes for 2,300 thousand Euros the value of credit letters issued by certain credit institutes to guarantee obligations undertaken by the Parent Company with some foreign suppliers.

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

29. Revenues

Revenues are composed of:

(€thousand)	30.06.20 (6 months)	30.06.19 (6 months)
Net revenues from sales - Goods	434,319	770,553
Revenues from Services	57	132
Advisory services to third parties	61	109
Manufacturing on behalf of third parties	12	14
Rent income (typical management)	13	14
Other services	760	1,148
Total revenues	435,222	771,970

Revenues from sales and services were affected by the blocking of tourist and foodservice activities imposed by the containment measures of the pandemic implemented in Italy from the end of February until last May 18.
For a more detailed analysis of the trend of revenues from sales see the Directors' Report on management performance.

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

(€thousand)	30.06.20 (6 months)	30.06.19 (6 months)
Italy	389,448	722,701
European Union	20,000	31,579
Extra-EU countries	25,774	17,690
Total	435,222	771,970

30. Other revenues

The Other revenues are broken down as follows:

(€thousand)	30.06.20 (6 months)	30.06.19 (6 months)
Contributions from suppliers and others	7,660	19,840
Other Sundry earnings and proceeds	3,740	324
Reimbursement for damages suffered	179	435
Reimbursement of expenses incurred	183	281
Recovery of legal taxes	10	28
Capital gains on disposal of assets	112	129
Total other revenues	11,884	21,037

The item "Contributions from suppliers and others" mainly consists of contributions obtained from suppliers for the commercial promotion of their products with our customers; for an analysis of their trend see the Directors' Report on management performance.
Finally it should be recalled that a part of the contribution from suppliers, related contracts for the recognition of the end-of-year bonuses, has been included to reduce the cost of purchasing materials.

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

31. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	30.06.20 (6 months)	30.06.19 (6 months)
Purchase of goods	345,288	647,228
Purchase of packages and packing material	1,313	2,348
Purchase of stationery and printed paper	243	492
Purchase of promotional and sales materials and catalogues	94	123
Purchase of various materials	200	209
Fuel for industrial motor vehicles and cars	124	156
Total purchase of goods for resale and consumables	347,262	650,556

As regards the performance of the purchase cost of goods destined for commercialisation, see the Directors' Report on market performance and the related comment on the gross margin.
As highlighted in the previous paragraph, the item "Purchases of goods" benefited for 2,034 thousand Euros (3,359 thousand Euros in the first half-year of the 2019), of the part of contribution from suppliers identifiable as end-of year bonuses.

32. Personnel costs

As at 30 June 2020 the item amounts to 13,009 thousand Euros (19,414 thousand Euros as at 30 June 2019) and includes all expenses for employed personnel, including holiday and additional monthly salaries as well as related social security charges, in addition to the severance provision and other costs provided contractually.
The decrease is the combined result of two factors: on one hand, the adjustment of the business organization to the market situation through the use of employment laws made available by the Government, an intensification in the use of paid leave and less overtime work (with a total saving of 5.1 million Euros); on the other hand the benefits resulting from the integration of the business activities of AS.CA into MARR (around 0.7 million Euros).

33. Amortizations, depreciation and provisions

(€thousand)	30.06.20 (6 months)	30.06.19 (6 months)
Depreciation of tangible assets	3,397	3,232
Depreciation of right of use	4,434	4,120
Amortization of intangible assets	204	194
Adjustment to provision for supplementary clientele severance indemnity	432	202
Total amortization, depreciation and provisions	8,467	7,748

34. Losses due to impairment of financial assets

This item is composed of:

(€thousand)	30.06.20 (6 months)	30.06.19 (6 months)
Allocation of taxable provisions for bad debts	7,518	5,457
Allocation of non-taxable provisions for bad debts	940	1,156
Total Losses due to impairment of financial assets	8,458	6,613

The increase in the item is mainly related to a greater provision made in the face of the current situation of uncertainty on the market.

35. Other operating costs

(€thousand)	30.06.20 (6 months)	30.06.19 (6 months)
Operating costs for services	63,096	90,882
Operating costs for leases and rentals	127	330
Operating costs for other operating charges	731	761
Total other operating costs	63,954	91,973

The operating costs for services mainly include the following items: sale expenses, distribution and logistics costs for our products for 49,565 thousand Euros (73,394 thousand Euros in the first half of 2019), utility costs for 3,987 thousand Euros (5,042 thousand Euros in the first half of 2019), handling costs for 1,493 thousand Euros (2,725 thousand Euros in the first half of 2019), third party works for 1,582 thousand Euros (2,167 thousand Euros in the first half of 2019) and maintenance costs amounting to 2,469 thousand Euros (2,604 thousand Euros in the first half of 2019).

The costs for the leases and rentals totalled 127 thousand Euros (330 thousand Euros in the same period of 2019) and represents the lease contracts not within the scope of application of IFRS16 accounting standard.

The operating costs for other operating charges mainly include the following items: "other indirect duties, taxes and similar costs" for 362 thousand Euros, expenses for credit recovery for 100 thousand Euros and "local council duties and taxes" for 144 thousand Euros.

36. Financial income and charges

(€thousand)	30.06.20 (6 months)	30.06.19 (6 months)
Financial charges	3,118	3,311
Financial income	(643)	(419)
Foreign exchange (gains)/losses	13	9
Total financial (income) and charges	2,488	2,901

The net effect of foreign exchange mainly reflects the performance of the Euro compared to the US dollar, which is the currency for imports from non-EU countries.
It is specified that the financial charges included interest expenses for 653 thousand Euros (of which 5 thousand Euros related to lease contract with the related Company Le Cupole of Castelvetro (MO), for the lease of the buildings located in Via Spagna, 20 – Rimini) as a result of the application of IFRS 16.

37. Income (charge) from investment at equity value

The item amount to a loss of 163 thousand Euros and represents the depreciation of associate Jolanda de Colò S.p.A. due to the loss accrued in the period.

38. Taxes

(€thousand)	30.06.20 (6 months)	30.06.19 (6 months)
Ires-Ires charge transferred to Parent Company	290	9,845
Irap	57	2,030
Previous years tax	0	16
Net provision for deferred tax liabilities	(5,368)	(592)
Total taxes	(5,021)	11,299

Deferred taxes include also the estimate of deferred tax assets calculated on the tax loss for the half-year for about 3.482 thousand Euros.

39. Earnings / (losses) per share

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

(Euros)	30.06.20 (6 months)	30.06.19 (6 months)
Basic Earnings Per Share	(0.21)	0.42
Diluted Earnings Per Share	(0.21)	0.42

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

Earnings:

(€thousand)	30.06.20 (6 months)	30.06.19 (6 months)
Profit/(Loss) for the period	(14,013)	27,765
Minority interests	0	0
Profit/(Loss) used to determine basic and diluted earnings per share	(14,013)	27,765

Number of shares:

(number of shares)	30.06.20 (6 months)	30.06.19 (6 months)
Weighted average number of ordinary shares used to determine basic earning per share	66,525,120	66,525,120
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	66,525,120	66,525,120

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

40. Other profits/losses

The other profits/losses accounted for in the consolidated statement of other comprehensive income consist of the effects produced and reflected in the period with reference to the following items:
- effective part of the operations for hedging exchange risk rate related to the bond in US dollars closed with an operation of private placement in the month of July 2013; effective part of the term exchange purchase transactions carried out to hedge the underlying goods purchasing operations; effective part of the interest rate hedging operations undertaken with regard to specific variable-rate loans. The value indicated, amounting to a total profit of 1,046 thousand Euros in the first half of 2020 (591 thousand Euros in the same period of the previous year), is shown net of the taxation effect (that amounts to approximately -330 thousand Euros as at 30 June 2020).
- actuarial profits regarding the evaluation of Staff Severance Provision as required by amendments to IAS principle 19 "Employee Benefits"; the value indicated, amounting to a total profit of 14 thousand Euros, is shown net of the taxation effect.

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

Net financial position

The following table represents the trend in Net Financial Position:

	MARR Consolidated (€thousand)	*Notes*	*30.06.20*	*31.12.19*	*30.06.19*
A.	Cash		3,754	10,873	20,070
	Bank accounts		171,154	181,530	186,000
	Postal accounts		30	90	14
B.	Cash equivalent		171,184	181,620	186,014
C.	Liquidity (A) + (B)	14	174,938	192,493	206,084
	Current financial receivable due to Parent Company		15,621	1,843	1,099
	Current financial receivable due to Related Companies		0	0	0
	Others financial receivable		774	560	1,024
D.	Current financial receivable	10	16,395	2,403	2,123
E.	Receivables for derivative/financial instruments	11	6,073	1,247	11
F.	Current Bank debt	23/25	(47,360)	(38,796)	(59,845)
G.	Current portion of non current debt	23/25	(157,080)	(130,076)	(92,713)
	Financial debt due to Parent company		0	0	0
	Financial debt due to Related Companies		0	0	0
	Other financial debt	23/25	(39,246)	(10,002)	(1,183)
H.	Other current financial debt		(39,246)	(10,002)	(1,183)
I.	Current lease liabilities (IFRS16)	24	(8,568)	(7,911)	(7,654)
J.	Current financial debt (F) + (G) + (H) + (I)		(252,254)	(186,785)	(161,395)
K.	Net current financial indebtedness (C) + (D) + (E) + (J)		(54,848)	9,358	46,823
L.	Non current bank loans	17/19	(172,163)	(137,491)	(171,565)
M.	Other non current loans		0	(29,368)	(37,825)
N.	Non-current lease liabilities (IFRS16)	18	(35,622)	(38,514)	(48,616)
O.	Non current financial indebtedness (L) + (M) + (N)		(207,785)	(205,373)	(258,006)
P.	Net financial indebtedness (K) + (O)		(262,633)	(196,015)	(211,183)

As highlighted in the Directors' Report, at 30 June 2020 the financial receivable deriving from the valuation of the derivative contracts of Cross Currency Swap expiring in 2023 (equal to 4.8 million Euros) was included, in line with the classification of the Bond Private Placement to which it is related, within the net financial position.

If this credit had also been considered as at 31 December and at 30 June 2019, the Group's financial indebtedness would have amounted to 192.6 and 207.6 million Euros respectively.

° ° °

Rimini, 3 August 2020

The Chairman of the Board of Directors

Ugo Ravanelli

Appendices

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

- Appendix 1 – List of equity investments, including those falling within the scope of consolidation as at 30 June 2020.

- Appendix 2 – Table summarising the relations with parent companies, subsidiaries and associates at 30 June 2020.

- Appendix 3 – Reconciliation of liabilities deriving from financing activities as at 30 June 2020 and at 30 June 2019.

- Appendix 4 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2019.

Appendix 1

MARR GROUP
LIST OF EQUITY INVESTMENTS INCLUDING THOSE FALLING WITHIN THE SCOPE OF CONSOLIDATION AT 30 JUNE 2020

Company	Headquarters	Share capital (€thousand)	Direct control Marr S.p.A.	Indirect control Company	Indirect control Share held
COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS:					
- Parent Company:					
MARR S.p.A.	Rimini	33,263			
- Subsidiaries:					
AS.CA. S.p.A.	Santarcangelo di R. (RN)	518	100.0%		
Marr Foodservice Iberica S.A.u.	Madrid (Spain)	600	100.0%		
New Catering S.r.l.	Santarcangelo di R. (RN)	34	100.0%		
SiFrutta S.r.l.	Cervia (RA)	210	100.0%		
INVESTMENTS VALUED AT EQUITY:					
- Associates:					
Jolanda De Colò S.p.A.	Palmanova (UD)	846	34.0%		
EQUITY INVESTMENTS VALUED AT COST:					
- Other companies:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	9,697	1.66%		

Appendix 2

RELATIONS WITH PARENT COMPANIES, SUBSIDIARIES, REALATED PARTIES AND ASSOCIATES AT 30 JUNE 2020

	FINANCIAL RELATIONS						ECONOMIC RELATIONS								
COMPANY	RECEIVEBLES			PAYABLES			REVENUES				COSTS				
	Trade	Other	Financial	Trade	Other	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Parent Companies:															
Cremonini S.p.A. (*)	13	14	15,621	3,294	2,045		4			9		622			
Total	13	14	15,621	3,294	2,045	0	4	0	0	9	0	622	0	0	0
From unconsolidated subsidiaries:															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies:															
Jolanda De Colò				2							1				
Total	0	0	0	2	0	0	0	0	0	0	1	0	0	0	0
From Affiliated Companies (**)															
Cremonini Group															
Caio S.r.l.	7				2		20								
Casa Maioli S.r.l.	7						34								
Chef Express S.p.A.	429	9					1,680				13	6			
Fiorani & C. S.p.a.	2	120		1,666			109		111		3,784				
Global Service S.r.l.		29		340								515			
Guardamiglio S.r.l.	7						13								
Inalca Food and Beverage S.r.l.	354	1		67			2,889	69			56				
Inalca S.p.a.	61	53		10,910			2,209		111		24,367	6			
Interjet S.r.l.															
Italia Alimentari S.p.a.	2	17		439			2		32		1,223				
Roadhouse Grill Roma S.r.l.	316						1,117								
Roadhouse S.p.A.	2,805			1			9,973	13							
Tecno-Star Due S.r.l.				1											
W Italia S.r.l.	2						2								
From Affiliated Companies															
Farmservice S.r.l.							7								
Le Cupole S.r.l.						830									5
Time Vending S.r.l.		12							12						
Total	3,992	241	0	13,424	2	830	18,055	82	266	0	29,443	527	0	0	5

(*) The items in the Other Receivables columns relate to the residual IRES receivables for requests of reimbursement regarding to the personel cost not deducted to Irap in the years 2007-2011, transferred to the Parent Company within the scope of of the National Consolidated tax base; the amount in the the other payables is related to the IRES balance of the year 2019 and of the first half of 2020. Trade receivables and payables include the net amount of VAT transferred to Cremonini within the scope of the Group VAT liquidation.

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

From Oter Related Parties															
Members of top management team					280		1					368			
Total	0	0	0	0	280	0	1	0	0	0	0	368	0	0	0

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Appendix 3

RECONCILIATION OF LIABILITIES DERIVING FROM FINANCING ACTIVITIES AS AT 30 JUNE 2020 AND AT 30 JUNE 2019

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

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

			Non-financial changes				
	30/06/2019	Cash flows	Other changes/ reclassifications	Purchases/ IFRS 16	Exchange rates variations	Fair value variation	31/12/2018
Current payables to bank	59,845	18,802	0	0	0	0	41,043
Current portion of non current debt	92,713	(28,176)	43,693	0	0	0	77,196
Current financial payables for bond private placement in US dollars	736	(752)	736	0	0	0	752
Current financial payables for IFRS 16 lease contracts	7,654	(3,488)	3,822	7,320	0	0	0
Current financial payables for leasing contracts	267	(114)	155	0	0	0	226
Current financial payables for purchase of quotas or shares	181	(180)	0	0	0	0	361
Total current financial payables	161,396	(13,908)	48,406	7,320	0	0	119,578
Current payables/(receivables) for hedging financial instruments	0	(10)	0	0	0	0	10
Total current financial instruments	0	(10)	0	0	0	0	10
Non-current payables to bank	171,468	34,461	(43,700)	0	0	0	180,707
Non-current financial payables for bond private placement in US dollars	37,631	0	33	0	231	0	37,367
Non-current financial payables for IFRS 16 lease contracts	48,616	0	(3,822)	52,438	0	0	0
Non-current financial payables for leasing contracts	194	0	(89)	0	0	0	283
Non-current financial payables for purchase of quotas or shares	0	0	0	0	0	0	0
Total non-current financial payables	257,909	34,461	(47,578)	52,438	231	0	218,357
Non-current payables/(receivables) for hedging financial instruments	97	0	0	0	97	0	0
Total non-current financial instruments	97	0	0	0	97	0	0
Total liabilities arising from financial activities	419,402	20,543	828	59,758	328	0	337,945

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries or merger)	20,723
Other changes/ reclassifications	828
Exchange rates variations	328
Fair value variation	0
Total detailed variations in the table	21,879
Other changes in financial liabilities	15,594
New non-current loans received	40,000
Non current loans repayment	(33,715)
Total changes shown between financing activities in the Cash Flows Statement	21,879

Appendix 4

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

Financial Statements as at 31 December 2019

Financial Statements		(in thousands of Euros)		Consolidated fianancial statements
		BALANCE SHEET		
		ASSETS		
84,518		Tangible assets		1,151,512
0		Rights of use assets		307,222
56		Goodwill and other intangible assets		229,975
258,139		Investments		39,659
39		Non-current assets		67,949
342,752		*Total non-current assets*		*1,796,317*
0		Inventories		497,231
17,346		Receivables and other current assets		715,020
80		Cash and cash equivalents		367,642
17,426		*Total current assets*		*1,579,893*
360,178		**Total assets**		***3,376,210***
		LIABILITIES		
296,367		Shareholders' equity:		*969,410*
	67,074	Share capital	67,074	
	205,817	Reserves	493,678	
	23,476	Net profit (loss)	44,567	
	0	Minority interest	364,091	
27,532		Non-current financial payables		965,265
366		Employee benefits		23,681
152		Provisions for risks and charges		16,555
3,790		Other non-current liabilities		57,857
31,840		*Total non-current liabilities*		*1,063,358*
24,576		Current financial payables		465,312
7,395		Current liabilities		878,130
31,971		*Total current liabilities*		*1,343,442*
360,178		**Total Liabilities**		***3,376,210***
		INCOME STATEMENT		
7,090		Revenues		4,364,586
1,022		Other revenues		72,367
0		Changes in inventories		(7,307)
0		Internal works performed		6,252
(79)		Purchase of goods		(3,010,716)
(5,741)		Other operating costs		(608,382)
(2,570)		Personnel costs		(442,413)
(2,845)		Amortization		(150,238)
(103)		Depreciation and Allocations		(33,004)
26,656		Income from investments		594
(400)		Financial income and charges		(48,140)
0		Profit from business aggregations		0
23,030		*Profit before taxes*		*143,599*
446		Taxes		(51,799)
23,476		Net profit (loss) before consolidation		*91,800*
0		Minority interest's profit (loss)		(47,233)
23,476		**Consolidated Net profit (loss)**		***44,567***

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

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

of the management and accounting procedures for the drafting of the interim condensed consolidated financial statement, during the first half-year 2020.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the interim condensed consolidated financial statement as at 30 June 2020 was based on a process defined by MARR S.p.A. in coherence with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is an internationally accepted general reference framework.

3. It is also certified that:

a) the interim condensed consolidated financial statements:
- are prepared in conformity with the internationally applicable accounting principles recognised in the European Community pursuant to regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;
- correspond to the findings in the accounts books and documents;
- are suited to providing a truthful and correct representation of the equity, economic and financial situation of the author and the group of companies included in the scope of consolidation.

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

Rimini, 3 August 2020

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

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REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Marr SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Marr SpA and its subsidiaries (hereinafter also the "Marr Group") as of 30 June 2020, comprising the consolidated statement of financial position, the consolidated statement of profit or loss , the consolidated statement of other comprehensive income, the consolidated statement of changes in the shareholder's equity, the consolidated cash flows statement and related notes. The directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of the Marr Group as of 30 june 2020 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Parma, 3 August 2020

PricewaterhouseCoopers SpA

Christian Sartori
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers