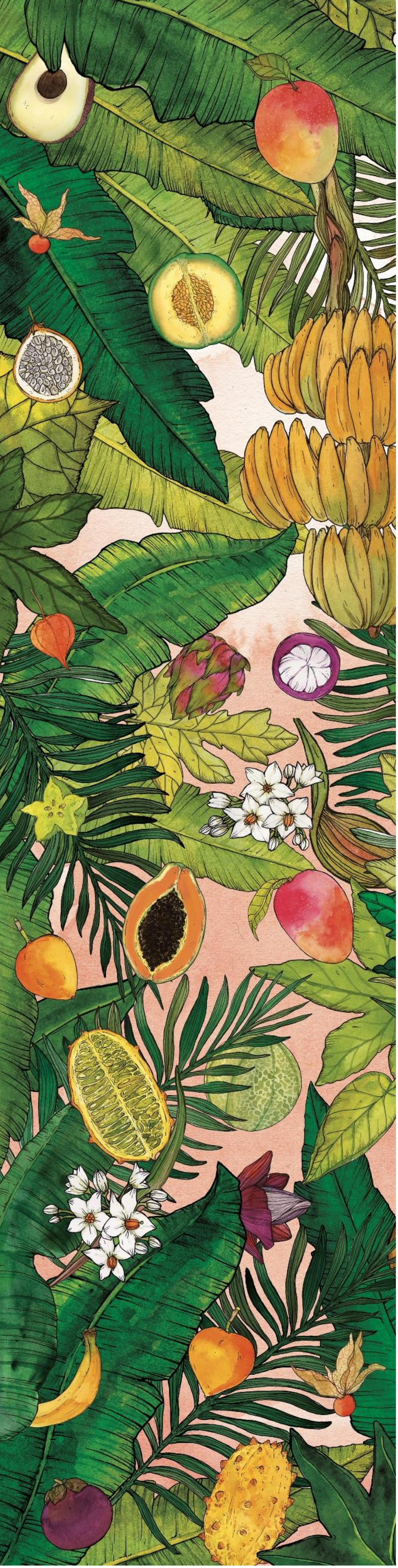


GRUPPO ORSERO

INTERIM FINANCIAL REPORT AS AT SEPTEMBER 30, 2020

Contents

OUR WORLD, AT A GLANCE

AROUND THE WORLD, OUR GROUP IS SEEN AS A SYMBOL OF **ITALIAN EXCELLENCE, TENACITY AND SUCCESS.** WE'RE KNOWN FOR DELICIOUS FRUIT AND VEGETABLE PRODUCTS, AS WELL AS OUR **AUTHENTICITY AND INTEGRITY.**

80 YEARS OF ACTIVITY

+ 1,500 EMPLOYEES

+ 300 PRODUCT TYPES

2 BUSINESS AREAS

IMPORTS & DISTRIBUTION OF FRUIT AND VEGETABLES IN SOUTHERN EUROPE

SHIPPING OF BANANAS AND PINEAPPLES

59% LARGE RETAIL DISTRIBUTION IN THE MAIN EUROPEAN MARKETS

+ 100 LARGE RETAIL CLIENTS

+ 10,000 CLIENTS INCLUDING LARGE RETAIL CHAINS AND SMALL GREENGROCERS

PRESENT IN **8 COUNTRIES**
ITALY, SPAIN, FRANCE, PORTUGAL, GREECE, COSTA RICA, COLOMBIA, MEXICO

165,000 sqm TOTAL WORK SPACE

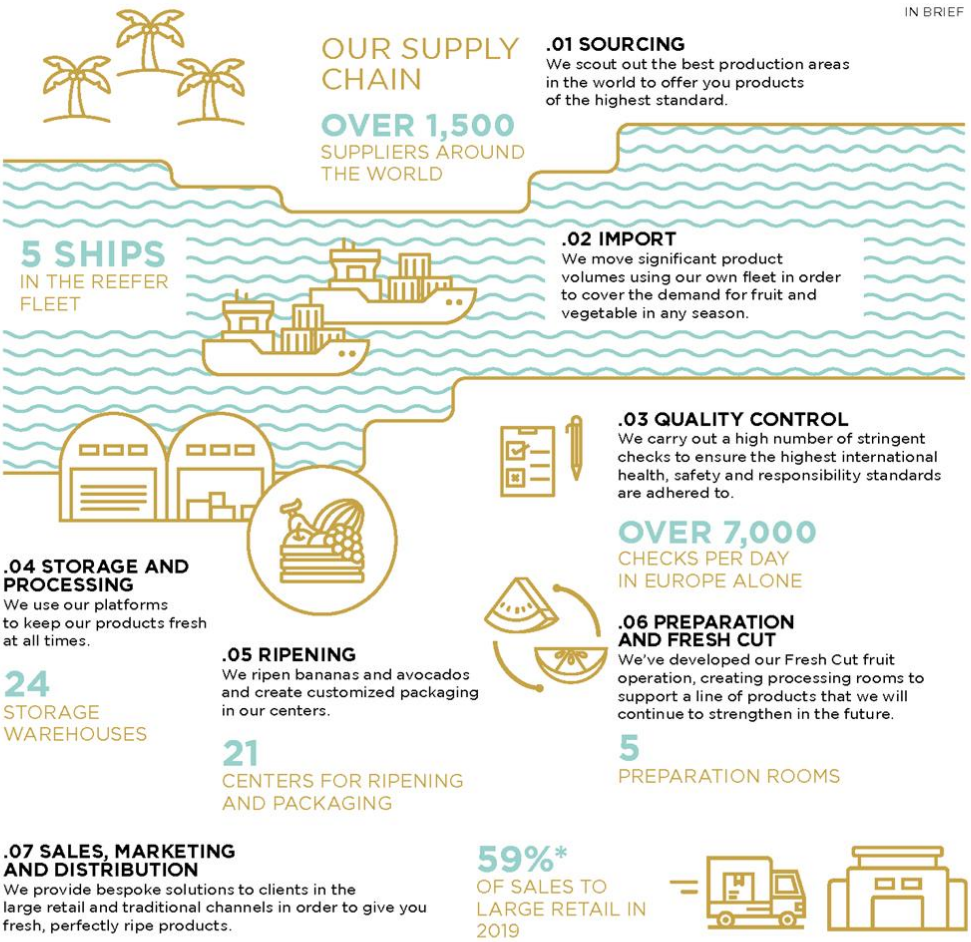
MARKET LEADER IN ITALY AND PORTUGAL

SECOND IN SPAIN

THIRD IN FRANCE

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

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



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

Key economic, equity and financial data

Economic data:

Thousands of Euro	Jan.-Sep. 2020	Jan.-Sep. 2019
Net Sales	788,709	748,252
Adjusted Ebitda	39,238	28,242
% Adjusted Ebitda	5.0%	3.8%
Adjusted Ebit	20,142	9,577
Ebit	17,052	5,780
Net Profit	11,916	877
Net Profit attributable to non-controlling interests	109	166
Net Profit attributable to Parent Company	11,808	711
Adjusted net profit	13,308	3,597

Equity data:

Thousands of Euro	30.09.2020	31.12.2019
Net Invested Capital	275,279	277,830
Capital and reserves attributable to Parent Company	160,008	150,221
Non-Controlling Interest	597	710
Total Shareholders' Equity	160,605	150,931
Net Financial Position	114,674	126,898

Main indicators:

Thousands of Euro	30.09.2020	31.12.2019	30.09.2019
Net Financial Position/Total Shareholders' Equity	0.71	0.84	0.99
Net Financial Position/Adjusted Ebitda*	2.31	3.28	3.93
Main indicators without IFRS 16 effect			
Net Financial Position/Total Shareholders' Equity	0.53	0.44	0.59
Net Financial Position/Adjusted Ebitda*	2.08	2.31	2.85

* Please note the Adjusted Ebitda at 30.09.2020, for comparative purposes, is determined "Rolling", that is to say, considering the result achieved from 1° October 2019 to 30 September 2020 while the Adjusted Ebitda at 30.09.2019, always for comparative purposes, is determined "Rolling", that is to say, considering the result achieved from 1° October 2018 to 30 September 2019.

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

A summary of the main indicators prior to the application of IFRS 16 is provided below:

Thousands of Euro	Jan.-Sep. 2020	Jan.-Dec. 2019	Jan.-Sep. 2019
Adjusted Ebitda	33,210	28,929	21,268
% Adjusted Ebitda	4.2%	2.9%	2.8%
Financial income and expenses (Without exchange rate differences)	(2,147)	(2,593)	(1,972)
Total Shareholders' Equity	161,087	151,307	149,576
Net Financial Position	85,185	66,911	87,755
Main indicators			
Net Financial Position/Total Shareholders' Equity	0.53	0.44	0.59
Net Financial Position/Adjusted Ebitda*	2.08	2.31	2.85

* Please note the Adjusted Ebitda at 30.09.2020, for comparative purposes, is determined "Rolling", that is to say, considering the result achieved from 1° October 2019 to 30 September 2020 while the Adjusted Ebitda at 30.09.2019, always for comparative purposes, is determined "Rolling", that is to say, considering the result achieved from 1° October 2018 to 30 September 2019.

The tables above provide initial preliminary details of the Group business trend in the first nine months of 2020, fully described later on in the dedicated sections of this report.
As concerns bananas and pineapples import activities, until last year included in the "Import & Shipping" sector, the Group's Management has decided, as already noted in the Report to the 2019 Financial Statements, to include those activities in the "Distribution" sector as of January 1, 2020, given the increased interaction compared to the past of this activity, which is now almost entirely carried out with respect to Group distribution companies. Following this change, the "Distribution" sector changed name to "Import & Distribution", while the "Import & Shipping" sector changed name to "Shipping", insofar as it includes maritime transport only, and period reporting starting Q1 2020 is structured as follows, with a clear adjustment of 2019 data to allow for a consistent comparison.

Orsero S.p.A. corporate information

Registered Office:

Orsero S.p.A.
Via Gaudenzio Fantoli 6/15,
20138 Milan

Representative office:

Corso Venezia 37,
20121 Milan

Administrative office:

Cime di Leca 30,
17031 Albenga (SV)

Legal data:

Share capital: Euro 69,163,340
No. of ordinary shares with no par value: 17,682,500
Tax ID and Milan Register of Companies enrolment no.: 09160710969
Milan Chamber of Commerce enrolment no. R.E.A. 2072677
Company website www.orserogroup.it
Country-wide Issuer as of January 1, 2019

Composition of Orsero S.p.A. corporate bodies

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

Board of Directors[1]:

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

Board of Auditors[5]:

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

Control and Risks Committee[6]:

Vera Tagliaferri	Chair
Armando Rodolfo de Sanna	Member
Riccardo Manfrini	Member

Remuneration and Appointments Committee[6]:

Armando Rodolfo de Sanna	Chair
Vera Tagliaferri	Member
Paolo Prudenziati	Member

Related Parties Committee[6]:

Laura Soifer	Chair
Vera Tagliaferri	Member
Elia Kuhnreich	Member

Independent Auditors:

KPMG S.p.A.

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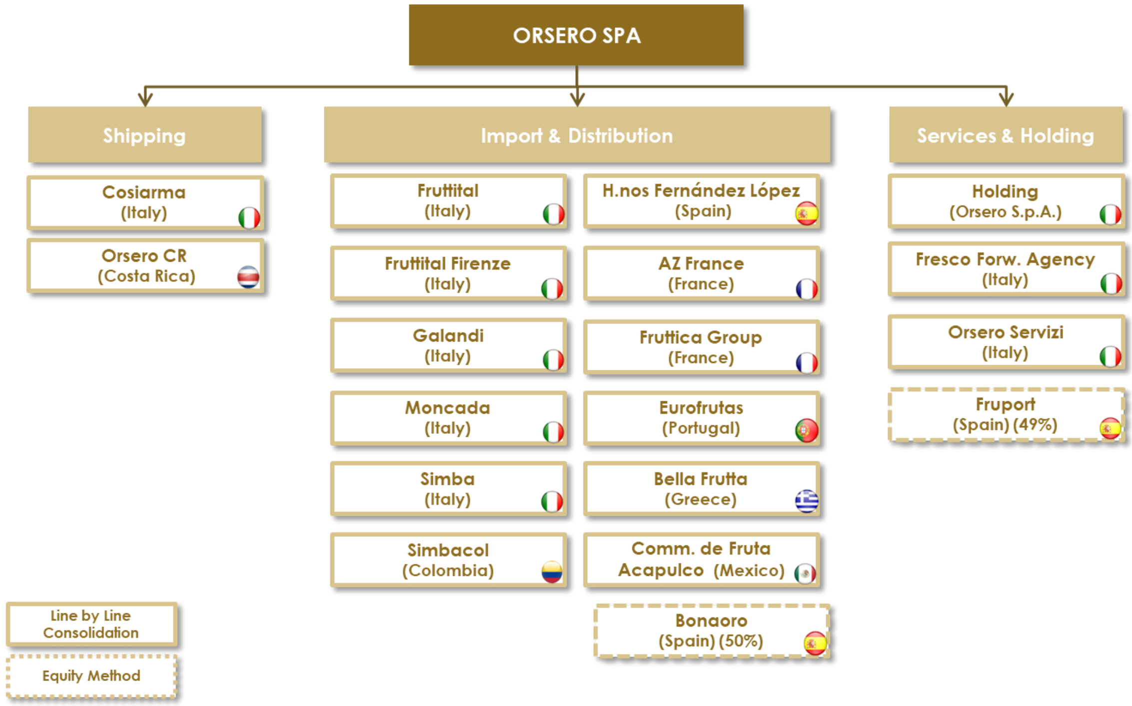
(1) The Board of Directors, consisting of nine members, was appointed by the Shareholders' Meeting on April 30, 2020 and shall remain in office until the date of approval of the financial statements at December 31, 2022.
(2) Declared, on submission of the list for the appointment of the Board of Directors,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

Group Structure



Summary representation of the Group.

Alternative performance indicators

In this interim financial report, certain economic and financial indicators that are not defined as accounting measures by IAS-IFRS, but which make it possible to discuss the Group's business, are presented and analyzed. These figures, explained below, are used to comment on the performance of the Group's business, in compliance with the provisions of the Consob Communication of July 28, 2006 (DEM 6064293) and subsequent amendments and supplements (Consob Communication no. 0092543 of December 3, 2015 implementing the ESMA/2015/1415 guidelines).

The alternative performance indicators listed below should be used as a supplement to those provided in accordance with IAS-IFRS to assist users of the interim financial report in better understanding the Group's economic, equity and financial performance. It should be emphasized that the criterion used by the Group may not be the same as that adopted by other groups and thus the figure obtained may not be comparable with that determined by these other groups.

The definitions of the alternative performance indicators used in this document are as follows:

Adjusted Ebitda: refers to the operating result (EBIT) plus amortization/depreciation, provisions and non-recurring costs/income, including any costs (also notional) of incentive plans. Note that the parameter thus determined does not consider financial income, financial expenses and exchange rate differences, taxes, or pro-rata gains/losses arising from the application of the equity method for associated companies and joint ventures.

Adjusted Ebit: refers to the operating result (EBIT) net of non-recurring costs/income, including any costs (also notional) of incentive plans.

***Adjusted net profit*:** used for a comparison in terms of total consolidated result, represents the result for the period net of non-recurring income and expense, inclusive of the relative taxes. As such, this indicator provides useful and immediate information on the profit trends for the period without considering non-recurring components.
Fixed assets: calculated as the algebraic sum of the following items: goodwill, other intangible assets, tangible assets, financial investments, other fixed assets, and receivables for deferred tax assets. Any fair value of hedging derivatives, as well as non-current assets included in the item "other fixed assets", should be excluded from these items.
Net working capital: calculated as the sum of inventories, trade receivables and trade payables.
Other receivables and payables: the sum of the following items: current tax receivables, other current assets, assets held for sale, other non-current liabilities, deferred tax liabilities, provisions for risks and charges, employees' benefits liabilities, current tax and social contributions liabilities, other current liabilities, and liabilities held for sale. Any fair value of hedging derivatives and current financial assets included in the item "Other current assets" should be excluded from these items.
Net invested capital (NIC): calculated as the algebraic sum of net working capital, fixed assets, and other receivables and other payables, as defined above. This indicator represents the capital "Requirements" necessary for the company's operation at the reporting date, financed through the two components, Capital (Shareholders' Equity) and Third-party Funds (Net Financial Position).
Net financial position (NFP): calculated as the algebraic sum of the following items: cash and cash equivalents, non-current/current financial liabilities, which also include liabilities associated with acquisition prices still to be paid and the positive/negative fair value of hedging derivatives, non-current financial assets, recorded under the item "Other fixed assets" and current financial assets included in the item "Other current assets".

Introduction

This interim financial report of the Orsero Group at September 30, 2020 was prepared in compliance with the international accounting standards (IAS/IFRS) recognized in the European Union pursuant to Regulation (EC) no. 1606/2002 and was drafted to fulfill the requirements set forth in Art. 2.2.3. paragraph 3 of the Regulation of the Markets organized and managed by Borsa Italiana S.p.A. relating to issuers traded in the STAR segment, taking into account Notice no. 7587 of April 21, 2016 of Borsa Italiana and Art. 154-ter of Italian Legislative Decree no. 58/1998. This interim report aims to provide a general description of the financial position and economic performance of the issuer and its subsidiaries in the reference period, as well as an illustration of the relevant events and transactions taking place in the reference period and their impact on the financial position of the issuer and its subsidiaries. The entire disclosure requested by IAS 34 is not provided in this document.
Orsero S.p.A. (the "Parent company" or the "Company" and, together with its subsidiaries, the "Group" or the "Orsero Group") is a company with its shares listed on the STAR segment of the telematic stock exchange (MTA) since December 23, 2019.
The IFRS/IAS compliant consolidation principles and measurement criteria are consistent with those adopted to draft the Group's financial statements for the year ended at December 31, 2019. The interim financial report includes a summary financial statement disclosure consisting of the statement of financial position, the income statement, the statement of comprehensive income, the cash flow statement and the statement of changes in shareholders' equity. The balance sheet information is provided with reference to September 30, 2020 and December 31, 2019, while the income statement information is provided with regard to the situation at September 30, 2020 and 2019. The data are provided on a consolidated basis, are presented in euro, the functional currency, and are shown in thousands, unless specified otherwise.
The scope of consolidation in the first nine months of 2020 changed compared to the same period of 2019, following the acquisition in March 2019 of the Fruttica Group, consolidated line by line as of April 1, 2019 and therefore with an impact in 2019 only for 6 months compared to 9 months in 2020, the acquisition in June 2019 of the remaining 75% of the share capital of the company Fruttital Cagliari S.r.l., consolidated line by line as of July 1, 2019, therefore with an effect on the consolidated financial statements at September 30, 2019 for one quarter, the sale of the minor company Vado Container Services in December 2019 and the liquidation of the associated company Simba Spain S.L. Furthermore, on July 1, 2020 the remaining 50% of the share capital was acquired of the company Moncada Frutta S.r.l., consolidated line by line with an effect on the 3rd quarter while until June 30, 2020 it was consolidated at equity, and the minor company M.A.P. Servizi Generali S.r.l. sold on September 14, 2020. Furthermore, the sub-holdings GF Distribuzione S.r.l. and GF Porterm S.r.l. were merged by incorporation into the Parent Company Orsero in the second half of 2019, an operation which was neutral in terms of its effects on the consolidated financial statements.
The Group's operations are, by their nature, subject to seasonal phenomena and therefore the results of the first nine months cannot be considered representative of performance for the entire year, although there is a certain offsetting between the Import & Distribution sector, which sees its highest volumes of revenues in the months from May to September, and the Shipping sector, which instead typically has the peak of its activities in the first half of the year.
Lastly, this interim financial report has not been audited.

Significant events during the first nine months of 2020

Below are the most significant events that took place in the first nine months of 2020, consisting mainly of the acquisition of warehouses previously leased by the Group in Milan, Verona, Rome and Molfetta from the related company Nuova Beni Immobiliari, the appointment of the members of the corporate bodies as decided by the Shareholders' Meeting on April 30, events linked to the Covid-19 epidemic and the acquisition of the company Moncada Frutta, with its simultaneous line by line consolidation within the Group as of July 1, 2020.

Acquisition of Italian warehouses

As already mentioned in the report to the 2019 financial statements, on January 14, 2020 the deed of purchase was finalized for the Milan, Verona, Rome and Molfetta warehouses owned by the related company Nuova Beni Immobiliari S.r.l. for a total value of Euro 17 million. The acquisition of the warehouses, which the Group was using under a lease stipulated through to end 2035, came as part of a Plan prepared pursuant to Art. 67 of the Bankruptcy Law, whereby the company Nuova Beni Immobiliari has reached an agreement with its financial creditors on how to repay its debt. The January acquisition of the Italian warehouses by Fruttital S.r.l. for a value of Euro 17.8 million, inclusive of taxes and accessory expenses, was partly financed through own funds and partly by a 10-year mortgage loan for Euro 15 million. Please note that, in terms of the application of the new IFRS 16 standard, with these transactions the warehouse value of Euro 17.8 million replaces the value of the IFRS 16 right of use on the same warehouses for a total of Euro 27.5 million, with a significant impact on the Net Financial Position. As this is classed as a related party transaction, the investment was first examined by the Related Parties Committee, which duly approved it.

Effects of the Coronavirus epidemic

The beginning of the year 2020 was clearly dominated by the effects of the Covid-19 pandemic which, beginning around the end of 2019 in the Chinese province of Wuhan, gradually spread throughout most of the world. As concerns our Group, the initial effects taking place in Italy in March were followed with a delay of two to three weeks by similar effects in other main markets in which the Group operates such as Spain, France, Greece, Portugal and Mexico/USA.
Given the nature of the Group's activities, regarding the marketing of staple food products, the Covid-19 pandemic has not had particularly negative effects on the Group's activities to date, at least in terms of sales and results, as the drop in sales to the Ho.Re.Ca. (Hotels, professional food service at bars and restaurants, canteens) channel was indeed offset by an increased volume in sales to mass distribution outlets.
Therefore, in the absence of significant impacts on the Group's accounts, it was not necessary to perform any impairment testing on the Group's assets and/or revise future forecasts as set forth in Consob note 8/20 of July 16, 2020 and in ESMA recommendation of May 20, 2020.
The most significant impacts instead were seen at operating level, due to the introduction and application of the required precautions with respect to employees and third parties in warehouses and markets as well as the offices. The companies thus implemented the safety protocols outlined by the Authorities to regulate entries and interpersonal contact within their operating platforms and offices, carry out the necessary sanitization activities and provide personal protection equipment. All personnel, both internal and external, have fully collaborated, to ensure the effective handling of our products within the warehouses. The majority of indirect personnel employed in commercial and administrative activities promptly began working remotely in the spring months, optimizing the use of modern electronic technologies in order to maintain almost normal business activities.
In economic terms, until September 30, 2020 the costs linked to the acquisition of personal protection equipment, sanitation services and bonuses for internal and external personnel totaled Euro 765 thousand, partially offset by benefits totaling Euro 178 thousand, of which Euro 139 thousand linked to the relief on IRAP from which the company Cosiarma was able to benefit.

Also during the current phase of the "second wave" of the virus which starting from September has begun to impact western economies, the Group's management is still continuously monitoring the situation from the financial, commercial and organizational standpoint, as well as the treasury situations relating in particular to the cycle of collections from customers.
In April, following issues taking place in the handling and packaging of goods by the cooperatives operating in the Milan warehouse, arising in March due to Covid-19, given the impossibility stated by such cooperatives to ensure the recovery of normal levels of activity, it was decided to stop all the activities at the Milan warehouse and transfer all logistics to Verona, with no significant consequences on the efficiency of logistics operations. The operating structure thus obtained was deemed optimal by the management and therefore no resumption of activities is planned at the Milan operating site, for which in the future a possible disposal seems likely.

Merger by incorporation of Fruttital Cagliari S.r.l. and Sevimpor SLU

On June 19, 2020, the deed was entered into for the merger by incorporation of the company Fruttital Cagliari S.r.l. into Fruttital S.r.l., a transaction legally effective as of July 1, 2020, and effective for accounting and tax purposes as of January 1, 2020. Likewise in Spain, on July 1, but with accounting effects as of January 1, 2020, the company Sevimpor acquired in early 2019 was merged into Hermanos Fernández López.
Please note that these transactions had neutral effects within the Group as they involved wholly-owned companies. These mergers were part of the plan started in 2017 to simplify the corporate structure, with a view to reducing accounting complexity while increasing process efficiency, corporate governance and Group cash flow management.

Acquisition of Moncada Frutta S.r.l.

In July, the Group entered into an agreement for the acquisition of the remaining 50% of the company Moncada Frutta S.r.l. held by the company Salvatore Moncada S.r.l., which was executed on September 10, 2020. Moncada Frutta S.r.l. is a company specialized in the wholesale distribution of fruit and vegetables in Sicily of which the Group already held 50% of the share capital since 2011. This transaction is intended to achieve important commercial synergies and development prospects in the large retail distribution channel in Sicily. The company Moncada Frutta S.r.l. has a leading position in the distribution of fresh fruit and vegetables in Sicily, but there are considerable opportunities for growth, particularly in large retail distribution. The company was consolidated line by line as of July 1, 2020, while in the first half of the year, the company was consolidated with the equity method due to the 50% shareholding. As set forth in the agreement, as consideration for the acquisition, Orsero transferred to the seller 176,825 Orsero shares, in its portfolio and equal to 1% of the share capital, valued for accounting purposes at the weighted average price of the Orsero shares recorded in the MTA on July 29 (day on which the agreement was signed), equal to Euro 5.8021 per share with a value of Euro 1,026 thousand. Furthermore, aside from the fixed part, the agreement calls for variable consideration in cash deferred until 2030, for a maximum of Euro 499 thousand, payable in three tranches of equal amounts subject to the company achieving positive results. Please note that all 176,825 Orsero shares transferred to the company Salvatore Moncada S.r.l. are subject to a 36-month lock-up commitment made by the latter. The variable component of the consideration for the acquisition will be paid through the use of Orsero's own resources.
It is worth highlighting that the company Moncada Frutta S.r.l. earned revenues of roughly Euro 16.8 million in 2019, with an Adjusted EBITDA of Euro 0.7 million and an essentially neutral net financial position.

Insurance policy taken out to cover customs dispute risk

In September, an insurance policy was taken out to cover the risk of disputes established between the Customs Administration and the companies Simba and Fresco, concerning some imports of bananas carried out by the Group in the years from 1997 to 2000. As already specified in the information document and in the 2019 financial report, this risk was considered remote in nature, and thus no provision was ever recognized in the financial statements, given the positive outcomes in the various instances achieved by the Group overall during the years. However, as today the disputes are still open, in order to definitively free the Group of its exposure to that potential risk, with a theoretical value of roughly Euro 5 million by way of customs duties and VAT, in addition to any interest and accessory expenses, the Directors deemed it convenient and appropriate to activate this insurance coverage, taken out ad hoc for a cost of Euro 600 thousand plus taxes, in order to indemnify the Group from any negative future outcomes of such disputes. In particular, it was deemed appropriate to cover this risk, albeit remote, given the significant complexity of the disputes, arising from a de facto and de jure situation which although common to all operators at the time, changed in 2001 due to the abrogation of the EU banana import system previously in force (on which the Customs disputes are based), and therefore it has no corresponding cases either in practice or in case law.

Sale of the minor company M.A.P. Servizi Generali S.r.l.

On September 14 and 15, 2020, the companies Galandi S.p.A. and Fruttital Firenze S.p.A. transferred their shares, each equal to 35%, held in the share capital of the minor company M.A.P. Servizi Generali S.r.l., for a consideration of Euro 86 thousand equal to the value of shareholders' equity, as these were activities with no commercial goodwill.

Distribution of the ordinary dividend through the assignment of treasury shares

On April 30, 2020, the Shareholders' Meeting approved the allocation of profit for the year in accordance with the proposal of the Board of Directors and in particular the distribution of a dividend in kind through the assignment of 246,298 treasury shares to the extent of 1 share for every 69 shares held by the Shareholders at the ex-dividend date with rounding down to the nearest unit. The ex-dividend date was May 11, 2020, the record date was May 12 and payments began on May 13, 2020.

Resolution on the remuneration policy and fees paid

The Shareholders' Meeting of April 30, 2020 approved with a binding vote pursuant to the law the remuneration policy for the next three years and the Report on Remuneration and on the compensation paid in 2019.

Board of Directors

The Shareholders' Meeting of April 30, 2020 appointed the new Board of Directors of the Parent Company, consisting of 9 members, in office until the date of approval of the 2022 financial statements and determined in compliance with the voting by list procedure set forth in the articles of association, with 7 Directors elected from the list submitted jointly by the shareholders FIF Holding S.p.A. and Grupo Fernández, which came in first by number of votes, and 2 Directors taken from the list submitted jointly by funds managed by Praude Asset Management Limited. The Shareholders' Meeting also confirmed as Chair of the Board of Directors Mr. Paolo Prudenziati, who was a candidate on the list submitted by the shareholders FIF Holding S.p.A. and Grupo Fernández.

Board of Statutory Auditors

The Shareholders' Meeting of April 30, 2020 appointed the new Board of Statutory Auditors, in office until the date of approval of the financial statements at December 31, 2022, appointing the Chair of the Board of Statutory Auditors, pursuant to the law and the articles of association, who was the first candidate from the list submitted jointly by the funds managed by Praude Asset Management Limited, which was second by number of votes, and 2 statutory auditors who were part of the list submitted by the shareholder FIF Holding S.p.A., which came in first by number of votes.

Remuneration and Appointments Committee, Control and Risks Committee, Related Parties Committee

On May 6, 2020, the Board of Directors confirmed Ms. Raffaella Orsero as Deputy Chair of the Company, granting to her and to Director Matteo Colombini the appropriate management proxies, in close continuity with the management prior to the listing of the Company on the MTA. In consideration of these proxies, Chief Executive Officer Matteo Colombini was also named Director appointed for the internal control and risk management system, in compliance with the recommendations contained in art. 7 of the Corporate Governance Code.
At the same Board of Directors meeting the Remuneration and Appointments Committee, the Control and Risks Committee and the Related Parties Committee were established, which will remain in office until the date of approval of the financial statements at December 31, 2022. The Board of Directors approved a composition of the board committees in line with best practices with the representation of all independent directors on at least one board committee.

Authorization to purchase and dispose of treasury shares

The Shareholders' Meeting of April 30 authorized the Board of Directors to purchase and dispose of ordinary treasury shares pursuant to Articles 2357 and 2357-ter of the Italian Civil Code. The purchase authorization was granted for a period of 18 months, including in several tranches, for a maximum number of shares which, taking account of the ordinary shares of the Company held in the portfolio from time to time, does not, on the whole, exceed a maximum of Euro 2 million. The authorization to dispose of treasury shares is requested with no time limitation. The authorization is meant to provide Orsero with a useful strategic investment opportunity for all the purposes permitted by the applicable provisions, including therein the purposes set out in Art. 5 of Regulation (EU) no. 596/2014 and in the practices permitted by law under Art. 13 of that Regulation, when applicable, including the purpose of purchasing treasury shares on the basis of their subsequent cancellation, in the terms and with the conditions approved by the competent corporate bodies. Purchases can be made at a unit consideration of no more than 20% lower and no more than 10% higher than the arithmetic mean of the official prices recorded by Orsero shares on the MTA market in the 10 open Stock market days prior to the individual transaction.
In the first nine months of the year, the Parent Company acquired a total of 110,000 treasury shares through various purchase programs. The first purchase program began on June 24 and ended on June 30, entailing the acquisition of 30,000 shares at an average price of Euro 6.52 per share for a total value of Euro 196 thousand. The second purchase program began on July 13 and ended on July 22, entailing the acquisition of 30,000 shares at an average price of Euro 6.03 per share for a total value of Euro 181 thousand. The third purchase program began on July 27 and ended on August 17, entailing the acquisition of 50,000 shares at an average price of Euro 5.95 per share for a total value of roughly Euro 297 thousand. After the three treasury share purchase programs mentioned above, Orsero S.p.A. holds 299,399 treasury shares in its portfolio, equal to 1.69% of the share capital.

Lastly, please note that on September 10, 2020, following the execution of the agreement for the acquisition of Moncada Frutta S.r.l., effective July 1, 2020, 176,825 treasury shares were delivered to the company Salvatore Moncada S.r.l. and, as a result, the number of treasury shares held by the Parent Company at the date of September 30, 2020 is 122,514, equal to 0.69% of the share capital, for a value of Euro 764 thousand.

Long-term variable remuneration - 2020-2022 LTI Plan

In line with the best market practices adopted by listed companies at national and international level, the Company believes that the remuneration plans linked to share performance are an effective incentive and loyalty tool for key players in order to maintain and improve performance and contribute to the growth and success of companies. The adoption of remuneration plans linked to share performance also responds to the recommendations of the Corporate Governance Code, Art. 6 of which recognizes that these types of plans represent a suitable instrument for aligning the interests of executive directors and managers with strategic responsibilities of listed companies with those of shareholders, allowing the priority objective of creating value over the medium to long term. The establishment of incentive remuneration mechanisms is expressly required by stock exchange regulation for companies belonging to the STAR segment of the MTA.
The "2020-2022 Long-Term Monetary Incentive Plan", therefore, aims to stimulate the maximum alignment of Beneficiaries' interests with the pursuit of the priority objective of sustainable creation of value for shareholders in the medium-long term. In particular, it makes it possible to pursue the following objectives: 1) to reward the short- and long-term performance of the Orsero Group as well as to strengthen the alignment between the interests of management and those of shareholders, directing behavior towards the sustainability of performance and the achievement of defined objectives; 2) to develop retention policies aimed at retaining key corporate resources and encouraging them to remain with the Group; 3) to develop policies to attract talented managerial and professional figures. The Plan recognizes, within the remuneration structure of the beneficiaries, a monetary economic incentive related to the achievement of certain performance and value creation objectives for shareholders, subject to the fulfillment of the access conditions ("Gate") and the continuation of employment with the Orsero Group. Although the Plan does not provide for the assignment of financial instruments, but rather only the attribution of monetary incentives, it does establish that a part of these incentives shall be indexed to the return on the Company's securities, which is why the Plan itself is subject to the rules set out in Art. 114-bis of the Consolidated Law on Finance for plans that provide for the assignment of financial instruments, as applicable. For details about the Plan, please refer to the governance section of the website https://www.orserogroup.it/governance/remunerazione/.
In accordance with the Group policy, in this interim financial report at September 30, as in the previous interim reports, no allocations were recognized relating to the above-mentioned Plan, as the bonuses are determined only when the annual financial statements are drafted.

Analysis of the economic and financial situation of the Orsero Group

The interim report at September 30, 2020 posted a profit of Euro 11,916 thousand (as at September 30, 2019: Euro 877 thousand), of which Euro 11,808 thousand attributable to the Group (as at September 30, 2019: Euro 711 thousand), after having recorded amortization, depreciation and provisions of Euro 19,096 thousand (as at September 30, 2019: Euro 18,665 thousand), net non-recurring expenses gross of taxes of Euro 3,090 thousand (within which the Covid-19 component represents a net expense of Euro 727 thousand, plus the benefit of Euro 139 thousand due to the lower IRAP outlay, mentioned above, as well as Euro 727 thousand for the policy to cover customs disputes (inclusive of taxes), while for the other main components, please refer to the table below relating to the Adjusted Net Profit), the positive capital/financial result of Euro 813 thousand and the pro-rata result of the companies consolidated at equity of Euro 633 thousand. The interim reports do not include costs for management bonuses (LTI/MBO), which are calculated only when the annual financial statements are drafted.
Below is a breakdown of the main income statement items, almost all identifiable in the financial statements with the exception of the "Adjusted EBITDA", which is the main performance indicator used by the Group, and "Adjusted EBIT", both defined in the "Alternative performance indicators" section.

Thousands of Euro	Jan.-Sep. 2020	Jan.-Sep. 2019
Net Sales	788,709	748,252
Adjusted Ebitda	39,238	28,242
Adjusted Ebit	20,142	9,577
Operating Result (Ebit)	17,052	5,780
Financial income	173	200
Financial expenses and exchange rate differences	(2,447)	(3,498)
Net income (loss) from equity investments	813	835
Share of net profit of associates and joint ventures	633	(60)
Profit before tax	16,224	3,257
Net profit	11,916	877
Net Profit attributable to non-controlling interests	109	166
Net Profit attributable to Parent Company	11,808	711
Adjusted net profit	13,308	3,597

The Group's overall performance in the first nine months of 2020 marked a good increase compared to the same period of the previous year thanks to the return of Import & Distribution and Shipping sector activities to regular levels of profitability.
Adjusted EBITDA, totaling Euro 39,238 thousand, marked an increase of Euro 10,996 thousand compared to last September 30, and the profit for the period of Euro 11,916 thousand increased by Euro 11,039 thousand, essentially linked to the better operating performance expressed by Adjusted EBITDA[1].
In terms of turnover, the overall increase in revenues came to Euro 40,457 thousand (+5.4%) compared to September 30, 2019 only in part - Euro 8,954 thousand - due to the companies acquired in 2019 and 2020 and to the disposal of the minor companies referred to previously. Increases in revenue regarded all of the main Group companies, in the Import & Distribution sector as well as in Shipping activities. In particular, the European distribution companies overall increased

[1] The improvement of Euro 11,039 thousand results from the better operating performance by Euro 10,996 thousand, higher amortization, depreciation and provisions by Euro 431 thousand, higher net financial expenses by Euro 120 thousand, the positive change in exchange differences from a loss of Euro 516 thousand in the first nine months of 2019 to a gain of Euro 628 thousand in the first nine months of 2020, higher taxes by Euro 1,928 thousand, the best equity result and non-recurring items by Euro 1,378 thousand.

their aggregate volumes sold in the first nine months of 2020 compared to the same period of 2019, on a like-for-like basis, by more than 9,100 tons (+1.6%), with an increase of around 7 eurocents in the average unit sale price.

Thousands of Euro	**Jan.-Sep. 2020**	**Jan.-Sep. 2019**
"Import & Distribution" Sector	742,634	703,572
"Shipping" Sector	73,099	67,064
"Services" Sector	8,246	9,590
Net Sales Inter-sector	(35,269)	(31,973)
Net Sales	**788,709**	**748,252**

Geographical information

The analysis of the information by geographical area shows details of the Group's revenues, divided up into the main geographical areas (thereby meaning those in which the company that generated the revenue is based) for the first nine months of 2020 and 2019, showing the Group's eurocentric nature.

Thousands of euro	**Jan.-Sep. 2020**	**Jan.-Sep. 2019**	**Change**
Europe	**758,684**	**711,869**	**46,815**
of which Italy	*351,680*	*339,991*	*11,689*
of which France	*146,215*	*136,125*	*10,090*
o which Spain	*205,237*	*185,071*	*20,167*
Latin America and North America	**30,025**	**36,383**	**(6,358)**
Total net sales	**788,709**	**748,252**	**40,457**

As shown in the table, Europe represents the center of the Orsero Group's activities, while non-European revenue is linked to activities carried out in Mexico, relating to the production and marketing/export of avocados, and Costa Rica, to support the sourcing of bananas and pineapples and their transport to Europe. Finally, please note that for Group revenues, the currency component is insignificant, given that the revenues of distributors, apart from the Mexican company, are all in euros.
The table below provides a reconciliation of the Adjusted EBITDA, used by the Group's management team as a performance indicator monitored on a consolidated level, with the period result presented in the income statement.

Thousands of euro	**Jan.-Sep.2020**	**Jan.-Sep.2019**
Net profit	**11,916**	**877**
Tax expenses	4,307	2,380
Financial income	(173)	(200)
Financial expenses and exchange rate differences	2,447	3,498
Net income (loss) from equity investments	(813)	(835)
Share of net profit of associates and joint ventures	(633)	60
Operating result (Ebit)	**17,052**	**5,780**
Amortization of intangible and depreciation tangible assets	18,028	17,225
Accruals of provision	1,068	1,440
Non recurring income	(80)	(636)
Non recurring expenses	3,170	4,433
Adjusted Ebitda	**39,238**	**28,242**

The following table shows the sector results in terms of Adjusted EBITDA, highlighting the above-mentioned improvement in the Import & Distribution sector as well as in the Shipping one, which improved their Adjusted EBITDAs by Euro 7.9 million and Euro 3.9 million, respectively, compared to

the first nine months of 2019. Please note that the Adjusted EBITDA of Euro 39,238 thousand was impacted by the IFRS 16 reclassification of Euro 6,028 thousand, while in the first nine months of 2019, that impact amounted to Euro 6,974 thousand.
The Services segment is mainly represented by the Parent Company Orsero S.p.A., flanked on a lesser scale by the companies operating in customs services, most of which are provided to third parties, and IT services, mainly inter-company. The result measured by adjusted EBITDA is typically negative, as the Parent Company determines its result according to the dividends collected. Please note that, due to the change in the activity carried out by Simba S.p.A., starting from January 1 the Parent Company Orsero stopped charging this company royalties for the use of the Fratelli Orsero trademark, with an impact of around Euro 944 thousand on Adjusted EBITDA in the first nine months of 2020.

Thousands of Euro	**Jan.-Sep. 2020**	**Jan.-Sep. 2019**
"Import & Distribution" Sector	30,016	22,153
"Shipping" Sector	13,824	9,867
"Services" Sector	(4,602)	(3,778)
Adjusted Ebitda	**39,238**	**28,242**

The following table, instead, shows a comparison between the Adjusted Net Profit of the two periods in question, net of the respective tax effects, highlighting the lower impact of non-recurring components in 2020, the main items of which relate to Covid-19, employee bonuses, the cost for insurance coverage on customs disputes and IFRS 3 income on the acquisition of the company Moncada Frutta.

Thousands of Euro	**Jan.-Sep. 2020**	**Jan.-Sep. 2019**
Net profit	**11,916**	**877**
Litigation and costs related to workforce	1,564	2,011
Covid-19 costs	414	-
Effect "Step Acquisition" ex IFRS 3	(799)	(827)
Other non-recurring profit/loss	214	1,537
Adjusted Net Profit	**13,308**	**3,597**

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

Thousands of Euro	**Jan.-Sep. 2020**	**Jan.-Dec. 2019**
Fixed Assets	241,483	256,336
Net Working Capital	47,029	30,550
Other current assets/(liabilities)	(13,233)	(9,057)
Net Invested Capital	275,279	277,830
Total Shareholders' Equity	160,605	150,931
Net Financial Position	114,674	126,898

The main changes in the financial structure at September 30, 2020 compared to December 31, 2019 are primarily linked to:

- decrease in fixed assets of Euro 14,853 thousand, due, as regards intangible assets, including goodwill, and tangible assets, to investments for a total of Euro 33,868 thousand (of which Euro 17.8 million linked to the acquisition of the Fruttital warehouses), disposals of Euro 27,645 thousand (including the write-off of the value of the right of use pursuant to IFRS 16 for Euro 27.5 million on the warehouses acquired by Fruttital S.r.l.), depreciation and amortization of Euro 18,028 thousand, increase of Euro 453 thousand due to changes in the perimeter of consolidation and other changes of Euro 640 thousand. On the other hand, the item equity investments declined by a total of Euro 1,465 thousand against increases of Euro 633 thousand representing the net result of companies consolidated at equity, a decrease of Euro 736 thousand due to dividends paid, disposals of equity investments for Euro 107 thousand, change in scope linked to the line by line consolidation of the company Moncada Frutta for Euro 725 thousand and other changes in reserves for Euro 530 thousand;

- increase of Euro 16,479 thousand in Net Working Capital, reflecting significant growth in turnover in the first nine months of 2020;
- improvement of Euro 12,224 thousand in the Net Financial Position, influenced by the above-mentioned write-off of the value of the liability pursuant to IFRS 16 of Euro 27.5 million for the four warehouses acquired by Fruttital against an investment of Euro 17.8 million.

During the period, the Group's investments amounted to Euro 33.9 million, as shown in the table below.

Description	Country	Amount M€
Purchase of 4 instrumental properties in Italy	Italy	17.8
Verona warehouse enlargement and refurbishment	Italy	4.3
Dry-docking of 2 vessels and upgrades on all 4 vessels	Italy	2.7
Goodwill deriving from Moncada's purchase	Italy	1.6
ERP Project	Italy	1.6
Others, including the effect of IFRS 16		5.9
Total investments		**33.9**

The summary representation of the Group's financial statements at September 30, 2020 through the main indicators highlights the good capital and financial structure of the Group, also within an "IFRS 16 compliant" context.

Thousands of Euro	30.09.2020	31.12.2019	30.09.2019
Net Financial Position/Total Shareholders' Equity	0.71	0.84	0.99
Net Financial Position/Adjusted Ebitda*	2.31	3.28	3.93
Main indicators without IFRS 16 effect			
Net Financial Position/Total Shareholders' Equity	0.53	0.44	0.59
Net Financial Position/Adjusted Ebitda*	2.08	2.31	2.85

* Please note the Adjusted Ebitda at 30.09.2020, for comparative purposes, is determined "Rolling", that is to say, considering the result achieved from 1° October 2019 to 30 September 2020 while the Adjusted Ebitda at 30.09.2019, always for comparative purposes, is determined "Rolling", that is to say, considering the result achieved from 1° October 2018 to 30 September 2019.

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

	Thousands of euro	30/09/2020	31/12/2019
A	Cash and cash equivalent	45,843	56,562
B	Other liquid assets	-	-
C	Current financial assets	20	19
D	**Liquidity (A+B+C)**	**45,862**	**56,581**
E	**Current financial receivables**	**-**	**-**
F	Current bank payables	(21,253)	(25,204)
G	Current portion of non-current debt	(15,894)	(13,894)
H	Other current financial payables *	(11,792)	(12,799)
I	**Current financial debt (F+G+H)**	**(48,940)**	**(51,897)**
J	**Net current financial debt (I-E-D)**	**(3,078)**	**4,684**
K	Non-current bank payables	(54,746)	(44,737)
L	Bonds	(30,000)	(30,000)
M	Other non-current financial payables*	(26,851)	(56,846)
N	**Non-current financial debt (K+L+M)**	**(111,596)**	**(131,583)**
O	**Net financial debt in accordance with ESMA (J+N)**	**(114,674)**	**(126,898)**

* Other current financial payables and other non-current financial payables include financial leases, factoring with recourse, payables for price balance on acquisitions, mark to market of liabilities for derivatives, possible shareholder loan and debt one-off, in addition to debt ex IFRS 16 for total euro 29,489 thousands (Non-current euro 23,056 thousands and Current euro 6,433 thousands) at 30 September 2020 and for total euro 59,988 thousands (Non-current euro 51,907 thousands and Current euro 8,081 thousands) at 31 December 2019.

The share capital at September 30, 2020, fully paid in, consists of 17,682,500 shares without par value for a value of Euro 69,163,340; there are no preference shares. Holders of ordinary shares have the right to receive the dividends as they are resolved and, for each share held, they have a vote to be cast in the Company's shareholders' meeting. The shareholders' equity as at September 30, 2020 increased when compared to December 31, 2019 due essentially to the result achieved by the Group in the first nine months of 2020, also taking into account the payment of the dividend in the form of shares already held by the Company which, therefore, had no effect on the measure of shareholders' equity. The statement of changes in shareholders' equity provides all information explaining the changes taking place in the first nine months of the year 2020.
At September 30, 2020, Orsero held 122,514 ordinary shares for a value of Euro 764 thousand, shown as a direct decrease in shareholders' equity. Note that as part of the 2017-2019 Medium/long-term Management Incentive Plan, 320,000 shares were delivered to the beneficiaries after the Orsero Shareholders' Meeting on last April 30, which also approved the free assignment to the shareholders of 246,298 shares by way of the 2019 dividend.
In 2020 the Parent Company acquired a total of 110,000 treasury shares at an average price of Euro 6.13 per share for a total of Euro 674 thousand and transferred 176,825 treasury shares to the company Salvatore Moncada S.r.l. as part of the acquisition of the remaining 50% of the company Moncada Frutta S.r.l. As at September 30, 2020, the Group does not hold, directly or indirectly, shares in parent companies and it did not acquire or sell shares in parent companies during the year.

Commentary on performance of the business sectors

This section provides information on the Group's performance as a whole and in its various sectors by analyzing the main indicators represented by turnover and Adjusted EBITDA. The information required by IFRS 8 is provided below, broken down by "sector of activity". The operating areas identified by the Orsero Group are identified in the sectors of activities that generate net sales and costs, the results of which are periodically reviewed by the highest decision-making level for assessment of performance and decisions regarding allocation of resources. As already noted, since January 1, 2020, the import of bananas and pineapples has been included in the Distribution sector, as the majority of the revenue from this activity flows to the Group's distribution companies. Following this change, the "Distribution" sector changed name to "Import & Distribution", while the "Import & Shipping" sector changed name to "Shipping", insofar as it includes maritime transport only, and period reporting will be structured as follows, with a clear adjustment of 2019 data to allow for a consistent comparison.
The Group's business is divided into three main sectors:

- Import & Distribution Sector
- Shipping Sector
- Services Sector

The table below provides a general overview of the performance of the different sectors in the two-year period 2020-2019 in relation only to the companies consolidated on a line-by-line basis.

Thousands of euro	Import &Distribution	Shipping	Services	Eliminations	Total
Net sales 30.09.2020 [A]	742,634	73,099	8,246	(35,269)	788,709
Net sales 30.09.2019 [B]	703,572	67,064	9,590	(31,973)	748,252
Net sales change [A] - [B]	39,062	6,035	(1,344)	(3,296)	40,457
Adj.Ebitda 30.09.2020 [A]	30,016	13,824	(4,602)	-	39,238
Adj.Ebitda 30.09.2019 [B]	22,153	9,867	(3,778)	-	28,242
Adj.Ebitda change [A] - [B]	7,863	3,957	(824)	-	10,996
NFP 30.09.2020 [A]	N.d.	N.d.	N.d.	N.d.	114,674
NFP 31.12.2019 [B]	N.d.	N.d.	N.d.	N.d.	126,898
NFP change [A] - [B]					(12,224)

"Import & Distribution" Sector

Thousands of Euro	Jan.-Sep. 2020	Jan.-Sep. 2019
Net Sales	742,634	703,572
Gross commercial margin*	87,187	79,811
% Contribution margin	11.74%	11.34%
Adjusted Ebitda	30,016	22,153
% Adjusted Ebitda	4.04%	3.15%

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

In this sector of activity, companies are involved in the import and distribution of fresh fruits and vegetables from many Countries around the world, at any time of the year, in the relevant regions, in addition to the companies located in Mexico dedicated to the production and export of avocados. The Distribution sector companies are located and operate on the markets of Mediterranean Europe (Italy, France, Spain, Portugal and Greece) and Mexico.
The widespread presence in the regions, with specialized platforms in the processing and storage of fresh products, allows the Company to serve both traditional wholesalers/markets and large

retail distribution (GDO), with different mixes in different Countries depending on the higher (e.g. France) or lower (e.g. Spain) incidence of GDO on these markets. Overall, the impact of sales to large retail distribution accounts for around 61% of the aggregate value of European distribution companies, reflecting the impact of the Covid-19 pandemic which, with the restrictions imposed on Ho.Re.Ca activities (first and foremost professional food service), saw a significant shift - especially in the first part of the year - in sales from the wholesaler/traditional markets (in part dedicated to the Ho.Re.Ca. market) sector to large retail distribution in all Countries in which the Group operates, to then balance out again in recent months until a nearly complete re-balancing of sales channels.
The table above differs from the summary tables of the other sectors shown below in that it includes a specific indicator for the distribution sector, the "gross sales margin", also referred to as the contribution margin, which in distribution companies constitutes the main indicator used to monitor business activity. The "gross sales margin" represents the difference between net sales and the direct costs of the products sold (meaning the purchase costs of the goods, plus incoming and outgoing cargoes, customs duties and packaging costs) where it is considered that these costs represent most of the costs incurred by the company and therefore the positive or negative changes in the gross sales margin tend to be reflected almost entirely on the profit or loss for the year.
The import and sale of bananas and pineapples is one of the Group's main activities as a whole because of the importance and weight of these items within the range of fruit and vegetables and the fact, not inconsiderable in terms of stability of the operational cycle, of their availability throughout the year. The Group supplies bananas and pineapples as a result of long-term relationships established primarily with the most important producers based in the Central American Countries. Bananas and pineapples are sold under the brands "F.lli Orsero" and "Simba", in addition to numerous private labels.
The result for this sector benefited from the increase recorded in turnover thanks to above-mentioned higher volumes and increased average unit sale prices, and in part due to the positive performance of the companies acquired in the previous year. In aggregate terms, the turnover differential of those companies amounted to around Euro 18 million, with an Adjusted EBITDA of Euro 1 million. Overall, business posted good performance in Italy, Spain and France, the latter showing a clear improvement compared to 2019 and approaching more normal levels of profitability, which more than offset the weaker performance of operations in Greece and Mexico. The import of Bananas and Pineapples had a negative impact on the result. In particular, pineapples were significantly penalized in 2020 by a low level of consumption due to the considerable slowdown in the Ho.Re.Ca. channel, the main market for this product. This reduction in consumption was further aggravated in terms of the operating result by a rather insufficient price trend. It can be affirmed that the negative impacts of Covid-19 can be observed, from the business perspective, especially in Pineapples, Avocados and fresh-cut fruit, a segment which, however, saw a positive albeit partial recovery in the months of August and September.

"Shipping" Sector

Thousands of Euro	Jan.-Sep. 2020	Jan.-Sep. 2019
Net Sales	73,099	67,064
Adjusted Ebitda	13,824	9,867
% Adjusted Ebitda	18.91%	14.71%

Following the above-mentioned restructuring of the Group's operating segments, "Shipping" now reflects only the activities linked to the maritime transport of bananas and pineapples of Central American production, carried out mainly with owned ships, the four reefer units "Cala Rosse" which were joined by a fifth ship under a freight contract starting in 2019, which connect, on the basis of a 35-day travel schedule, Central America with the Mediterranean, thereby allowing punctual arrival of fresh fruit in European markets on a weekly basis.

The segment's income performance, as compared with the same period of the previous year, shows a clear improvement in Adjusted EBITDA, which amounted to Euro 13,824 thousand, or +40.1% compared to the previous year.
All cargo contracts have BAF (bunker adjustment factor) clauses which, by adjusting the value of the freight fees based on increases/decreases in the cost of fuel, protect from the cost of fuel variability, however thus limiting the benefit that could otherwise be achieved, like this year, from declining costs of oil and derivative products.
The positive results achieved by the ship-owning business derive from the good level of volumes transported, with a load factor of 92.9%, down slightly compared to June 30 due to the seasonality of Q3, along with the effectiveness in the travel schedule which, with the use of 5 ships, allows for significant fuel savings and guarantees better asset maintenance, thanks to the lower traveling speeds required compared to the previous historical schedule using four ships.

"Services" Sector

Thousands of Euro	Jan.-Sep. 2020	Jan.-Sep. 2019
Net Sales	8,246	9,590
Adjusted Ebitda	(4,602)	(3,778)

This sector includes the activities related to the Parent Company, as well as the activities of providing services in customs and in the IT sector, carried out by some smaller companies.
The Adjusted EBITDA of the sector typically has a negative sign, because, in view of the Parent Company's nature as a holding company, the income and ultimately the profit or loss for the year are tied to the dividends received from Group companies. In terms of Adjusted EBITDA, as noted above royalties were not charged in 2020 to the company Simba, quantifiable at Euro 944 thousand, partially offset by a lower cost for promotional activities compared to the previous year.

Other information

Significant shareholders

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

Shareholder's name (1)	Number of shares	% on the total share capital
FIF Holding S.p.A	5,746,492	32.50%
Grupo Fernandez S.A.	1,115,942	6.31%
Praude Asset Management Ltd.	1,687,379	9.54%
Global Portfolio Investments S.L.[2]	1,014,440	5.74%
First Capital S.p.A.	896,811	5.07%

(1) Updated on October 2, 2020
(2) The declaring company at the top of the control chain is Indumenta Pueri S.L.

Financial disclosure and relations with Shareholders

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

Transactions deriving from atypical and/or unusual transactions

In compliance with the provisions of the Consob Communication of July 28, 2006, in 2020, the Company did not implement any atypical and/or unusual transactions as defined in that Communication, with the exception of the acquisitions of the former Nuova Beni Immobiliari warehouses formalized in January 2020.

Transactions deriving from non-recurring transactions

In accordance with the Consob Communication of July 28, 2006, it is specified that in 2020 the Group benefited from and incurred costs relating to non-recurring transactions. In accordance with Consob Communication no. 15519 of July 27, 2006, please note that the item "Other revenues and costs" includes Euro 80 thousand and Euro 3,170 thousand respectively of non-recurring income and expenses, essentially referring to extraordinary costs incurred during the Covid-19 pandemic, personnel costs for bonuses and profit-sharing (element required by French and Mexican laws), expenses for the insurance coverage taken out to eliminate customs dispute risk and the income pursuant to IFRS 3 on the acquisition of Moncada Frutta, as well as other minor contingent liabilities.

Significant events after the third quarter of 2020

In October, a new tranche of the acquisition of treasury shares was approved and duly disclosed to the market, for a total of up to 30,000 shares and within the outlay limit of Euro 200 thousand, to be carried out between October 28 and November 30.
On 19 October 2020, with the will to consolidate good practices aimed at avoiding food waste, which has always been part of the Group's business philosophy, Orsero entered into a partnership with the European Food Banks Federation (FEBA) and the Banco Alimentare Onlus Foundations working every day to collect still good food and redistribute it to charity organizations, giving new value to food.
With reference to the most recent evolutions of the Covid-19 pandemic, the Group's management continues to follow and monitor all the developments in order to reduce risks for its personnel and maintain an efficient distribution logistics chain.

Outlook for the Orsero Group

With respect to Covid-19, the Group's priority will continue to be the sustainable growth of its business, while guaranteeing employee safety as a top priority. Indeed, as already noted, the Group has continued with its activities by very rapidly adopting all safety behaviors and measures specified by the authorities of the Countries involved, therefore using new protocols and safety measures. During this pandemic, procurement from suppliers has to date been confirmed for the Group, as well as the logistics and goods transport activities that ensure its business continuity.
With reference to business trends for the year under way, given the nature of our activities linked to staple food products, the Covid-19 pandemic did not have particularly negative effects on the Group's activities. If conditions remain consistent with the scenario currently forecasted, no particular elements are expected that could impact the Group in the short term. However, the considerable effects of the pandemic on the Eurozone economy could have a negative impact on consumption in the medium term which is currently impossible to quantify, especially with regard to staple foods.
The Group's management will continue to continuously monitor the situation from the commercial, financial and organizational standpoint, also in light of the recent initiatives ordered by the governments to support economic activity, as well as the treasury situations relating to the cycle of collections from customers and, lastly, any aid measures in favor of businesses. The Group is

therefore taking all of the necessary decisions to seek to limit costs and maintain liquidity and its financial strength. The Group continues to be confident in the possibility of growing its business thanks to its strong competitive positioning and solid financial structure. Furthermore, it will seek to improve on operating synergies and overhead costs.
The Group confirms its commitment to taking all the actions required to limit the effects of the Covid-19 pandemic and promptly providing any and all updates.
The Group’s management also confirms the Guidance FY 2020, as disclosed to the market, aiming for the high part of the Adjusted EBITDA range.

The Chief Financial Officer, Matteo Colombini, and the Manager appointed to prepare the company's accounting documents, Giacomo Ricca state, pursuant to paragraph 2, Article 154 bis of the Consolidated Law on Finance, that the accounting disclosure contained in this document corresponds to the accounting documents, books and entries.

Chief Financial Officer — Manager appointed to prepare the company's accounting documents
Matteo Colombini — Giacomo Ricca

Consolidated Financial Statements

Consolidated statement of financial position

Thousands of euro	30/09/2020	31/12/2019
ASSETS		
Goodwill	48,426	46,828
Other intangible assets	5,995	5,145
Tangible assets	167,282	181,722
Financial investments	6,653	8,117
Other fixed assets	5,171	5,401
Deferred tax assets	7,956	9,122
NON-CURRENT ASSETS	**241,483**	**256,336**
Inventories	39,940	36,634
Trade receivables	142,377	121,439
Current tax receivables	14,645	16,971
Other current assets	15,172	11,066
Cash and cash equivalent	45,843	56,562
CURRENT ASSETS	**257,977**	**242,672**
Assets held for sale	**-**	**-**
TOTAL ASSETS	**499,461**	**499,008**
Share Capital	69,163	69,163
Reserves	79,038	79,036
Net profit	11,808	2,022
Group equity	**160,008**	**150,221**
Minorities	**597**	**710**
TOTAL SHAREHOLDERS' EQUITY	**160,605**	**150,931**
LIABILITIES		
Non-current financial liabilities	111,596	131,583
Other non-current liabilities	254	349
Deferred tax liabilities	5,097	5,216
Provisions for risks and charges	4,720	4,345
Employees' benefits liabilities	9,413	9,422
NON-CURRENT LIABILITIES	**131,080**	**150,915**
Current financial liabilities	48,940	51,897
Trade payables	135,288	127,523
Current tax and social security contributions liabilities	8,428	6,400
Other current liabilities	15,119	11,343
CURRENT LIABILITIES	**207,775**	**197,162**
Liabilities held for sale	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**499,461**	**499,008**

Consolidated income statement

Thousands of euro	Jan.-Sep. 2020	Jan.-Sep. 2019
Net sales	788,709	748,252
Cost of goods sold	(720,529)	(689,735)
Gross profit	**68,180**	**58,517**
Overheads	(49,647)	(50,833)
Other income and expenses	(1,481)	(1,905)
Operating result (Ebit)	**17,052**	**5,780**
Financial income	173	200
Financial expenses and exchange rate differences	(2,447)	(3,498)
Net income (loss) from equity investments	813	835
Share of net profit of associates and joint ventures	633	(60)
Profit before tax	**16,224**	**3,257**
Tax expenses	(4,307)	(2,380)
Net profit from continuing operations	**11,916**	**877**
Net profit of "Discontinued operations"	-	-
Net profit	**11,916**	**877**
attributable to non-controlling interests	**109**	**166**
attributable to parent company	**11,808**	**711**

Consolidated Statement of Comprehensive Income

Thousands of euro	Jan.-Sep. 2020	Jan.-Sep. 2019
Thousands of euro	**11,916**	**877**
Items that may not be subsequently reclassified to net profit or loss	-	-
Items that may be subsequently reclassified to net profit or loss	(566)	120
Tax effect	69	79
Total comprehensive income	**11,419**	**1,076**
attributable to non-controlling interests	**109**	**166**
attributable to parent company	**11,311**	**909**

Consolidated cash flow statement

Thousands of euro	Jan.-Sep. 2020	Jan.-Sep. 2019
A. Net cash flows provided by (used for) operating activities		
Net profit	**11,916**	**877**
Income taxes	4,307	2,380
Net financial expenses	2,273	3,298
1. Net Profit before Tax, Interests, Dividends and (earnings)/losses from disposal of assets	**18,497**	**6,554**
Non-cash adjustments not related to working capital:		
Provisions	1,068	1,440
Depreciations and Amortizations	18,028	17,225
2. Cash flows before working capital changes	**37,593**	**25,219**
Changes in Working Capital:		
Change in inventories	(3,249)	(9,214)
Change in trade receivables	(17,684)	(27,814)
Change in trade payables	4,992	15,389
Other working capital changes	3,238	(5,291)
3. Cash flows after working capital changes	**24,891**	**(1,711)**
Other non-cash adjustments:		
Net financial expenses	(2,273)	(3,298)
Income taxes	(4,307)	(2,380)
4. Cash flows after other changes	**18,310**	**(7,388)**
Net cash flows provided by (used for) operating activities (A)	**18,310**	**(7,388)**
B. Net cash flows provided by (used for) investing activities		
Tangible assets		
(Investment)	(30,597)	(23,044)
Disposals	28,285	2,394
Intangible assets		
(Investment)	(3,271)	(15,077)
Disposals	-	126
Financial Investments		
(Investment)	(633)	(10)
Disposals	1,373	1,526
Financial assets		
(Investment)	-	(1,098)
Disposals	1,534	1
Disposals / (acquisitions) of investments in controlled companies, net of cash	(198)	694
Net cash flows provided by (used for) investing activities (B)	**(3,508)**	**(34,489)**
C. Net cash flows provided by (used for) financing activities		
Financial loans		
Increase /(decrease) of short term financial debts	(3,996)	9,924
Drawdown of new medium-long loans	22,555	17,550
Pay back of medium-long loans	(41,839)	(19,503)
Equity		
Capital Increase and other changes in increase or decrease	(1,568)	425
Disposal/ (aquisition) of own shares	(674)	-
Dividends paid	-	(2,095)
Net cash flows provided by (used for) financing activities(C)	**(25,522)**	**6,300**
Increase/ (decrease) of cash and cash equivalent (A ± B ± C)	**(10,720)**	**(35,577)**
Net cash and cash equivalents, at the beginning of the period	**56,562**	**76,285**
Net cash and cash equivalents, at the end of the period	**45,843**	**40,708**

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Consolidated statement of changes in shareholders’ equity

Thousands of euro	Share Capital*	Treasury shares*	Equity investments'cost reserve*	Legal reserve	Share premium reserve	Other reserves	Currency translation reserve	Remeasurement of defined benefit plans	Cash Flow Hedge reserve	Long-term incentive plan reserve	Retained earnings/ (losses)	Net profit	Total Shareholders' equity	Minorities
December 31, 2018	**69,163**	**(7,405)**	**(153)**	**119**	**80,556**	**11,424**	**(1,628)**	**(465)**	**(1,340)**	**4,470**	**(13,011)**	**7,974**	**149,704**	**475**
Allocation of reserves	-	-	-	202	-	1,808	-	-	-	-	3,932	(5,942)	**-**	-
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Loss allowance	-	-	-		-	-	-	-	-	-	-	-	**-**	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	(2,031)	**(2,031)**	-
Effect IAS 19	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Change in fair value of CFH derivatives (bunker)	-	-	-	-	-	-	-	-	534	-	-	-	**534**	-
Change in fair value of CFH derivatives (interest)	-	-	-	-	-	-	-	-	(335)	-	-	-	**(335)**	-
Purchasing treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Long-term incentive plan	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Other changes	-	-	-	-	-	(18,221)	232	-	-	-	18,167	-	**178**	(14)
Net profit	-	-	-	-	-	-	-	-	-	-	-	711	**711**	166
September 30, 2019	**69,163**	**(7,405)**	**(153)**	**321**	**80,556**	**(4,989)**	**(1,396)**	**(465)**	**(1,142)**	**4,470**	**9,088**	**711**	**148,760**	**627**

Thousands of euro	Share Capital**	Treasury shares**	Equity investments'cost reserve**	Legal reserve	Share premium reserve	Other reserves	Currency translation reserve	Remeasurement of defined benefit plans	Cash Flow Hedge reserve	Long-term incentive plan reserve	Retained earnings/ (losses)	Net profit	Total Shareholders' equity	Minorities
December 31, 2019	**69,163**	**(7,426)**	**(153)**	**321**	**80,556**	**(5,044)**	**(1,342)**	**(901)**	**(410)**	**4,470**	**8,965**	**2,022**	**150,221**	**710**
Allocation of reserves	-	-	-	75	-	-	-	-	-	-	1,947	(2,022)	**-**	-
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Dividend	-	2,456	-	-	(2,456)	-	-	-	-	-	-	-	**-**	-
Effect IAS 19	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Change in fair value of CFH derivatives (bunker)	-	-	-	-	-	-	-	-	(251)	-	-	-	**(251)**	-
Change in fair value of CFH derivatives (interest)	-	-	-	-	-	-	-	-	(180)	-	-	-	**(180)**	-
Change in fair value of CFH derivatives (exchange rate)	-	-	-	-	-	-	-	-	(66)	-	-	-	**(66)**	-
Purchasing treasury shares	-	(674)	-	-	-	-	-	-	-	-	-	-	**(674)**	-
Long-term incentive plan	-	3,191	-	-	-	-	-	-	-	(4,470)	1,279	-	**-**	-
Effect Moncada Frutta's purchase	-	1,688	-	-	(662)	-	-	-	-	-	-	-	**1,026**	
Other changes	-	-	-	-	-	-	(1,692)	1	-	-	(184)	-	**(1,875)**	(222)
Net profit	-	-	-	-	-	-	-	-	-	-	-	11,808	**11,808**	109
September 30, 2020	**69,163**	**(764)**	**(153)**	**396**	**77,438**	**(5,044)**	**(3,035)**	**(900)**	**(907)**	**-**	**12,006**	**11,808**	**160,008**	**597**

(*) Espression of the share capital according to IAS 32, net of treasury shares for €/000 7,405 and equity investments'costs for €/000 153
(**) Espression of the share capital according to IAS 32, net of treasury shares for €/000 764 and equity investments'costs for €/000 153


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