GRUPPO
ORSERO

INTERIM FINANCIAL REPORT AS AT SEPTEMBER 30, 2022

Contents


F.lli Orsero QUALITÀ
GRUPPO ORSERO
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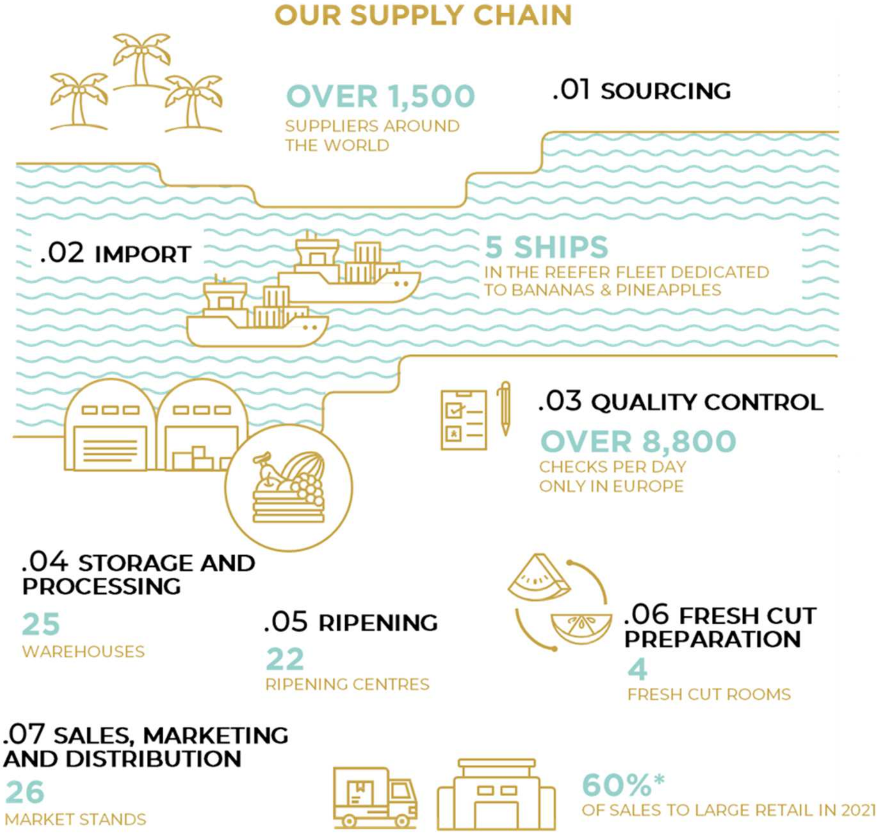
BUSINESS MODEL

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

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

OUR SUPPLY CHAIN



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

Key economic, equity and financial data

Economic data:

Thousands of euro	Jan.-Sep. 2022	Jan.-Sep. 2021
Net sales	894,291	788,988
Adjusted EBITDA	58,415	41,821
% Adjusted EBITDA	6.5%	5.3%
Adjusted EBIT	36,447	21,158
EBIT	34,310	21,398
Profit/loss for the period	29,653	15,383
Profit/loss attributable to non controlling interests	313	193
Profit/loss attributable to Owners of Parent	29,340	15,190
Adjusted profit/loss for the period	31,383	15,269

Equity data:

Thousands of euro	30.09.2022	31.12.2021
Net Invested Capital	277,938	260,199
Capital and reserves attributable to Parent Company	200,897	175,186
Non-Controlling Interest	1,018	668
Total Shareholders' Equity	201,915	175,854
Net Financial Position	76,023	84,346

Main indicators:

	Jan.-Sep. 2022	Year 2021	Jan.-Sep. 2021
Net Financial Position/Total Shareholders' Equity	0.38	0.48	0.43
Net Financial Position/Adjusted EBITDA*	1.09	1.59	1.47
Main indicators without IFRS 16 effect			
Net Financial Position/Total Shareholders' Equity	0.16	0.26	0.27
Net Financial Position/Adjusted EBITDA*	0.56	1.00	1.10

* Please note that the l'Adjusted EBITDA of the first nine months is determined "rolling", that is to say, considering for the Adjusted EBITDA at 30.09.2022 the result achieved from 1° October 2021 to 30 September 2022, while for the Adjusted EBITDA at 30.09.2021, the result achieved from 1° October 2020 to 30 September 2021.

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

Thousands of Euro	Jan.-Sep. 2022	Year 2021	Jan.-Sep. 2021
Adjusted EBITDA	48,058	45,266	36,085
% Adjusted EBITDA	5.4%	4.2%	4.6%
Financial income and expense (Without exchange rate differences)	(1,878)	(2,437)	(1,880)
Total Shareholders' Equity	202,352	176,596	174,381
Net Financial Position	32,311	45,285	47,550
Main indicators			
Net Financial Position/Total Shareholders' Equity	0.16	0.26	0.27
Net Financial Position/Adjusted EBITDA*	0.56	1.00	1.10

* Please note that the Adjusted EBITDA of the first none months is determined "rolling", that is to say, considering for the Adjusted EBITDA at 30.09.2022 the result achieved from 1° October 2021 to 30 September 2022, while for the Adjusted EBITDA at 30.09.2021, the result achieved from 1° October 2020 to 30 September 2021.

The tables above provide initial preliminary details of the Group business trend in the first nine months of 2022, fully described later on in the dedicated sections of this report.

Orsero S.p.A. corporate information.

Registered Office:

Orsero S.p.A.
Via Vezza D'Oglio 7,
20139 Milan

Legal data:

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

Composition of Orsero S.p.A. corporate bodies

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

Board of Directors[1]:

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

Board of Statutory Auditors[5]:

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

Control and Risks Committee[6]:

Vera Tagliaferri	Chair
Armando Rodolfo de Sanna	Member
Riccardo Manfrini	Member

Remuneration and Appointments Committee[6]:

Armando Rodolfo de Sanna	Chair
Vera Tagliaferri	Member
Paolo Prudenziati	Member

Related Parties Committee[6]:

Laura Soifer	Chair
Vera Tagliaferri	Member
Elia Kuhnreich	Member

Independent Auditors:

KPMG S.p.A.

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[1] The Board of Directors, consisting of nine members, was appointed by the Shareholders' Meeting on April 30, 2020 and shall remain in office until the date of approval of the financial statements at December 31, 2022.
[2] Declared, on submission of the list for the appointment of the Board of Directors, that he/she meets the independence requirements set forth in Articles 147-ter, 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 three statutory auditors and two alternates, was appointed by the Shareholders' Meeting on April 30, 2020 and shall remain in office until the date of approval of the financial statements at December 31, 2022.
[6] The members of the Remuneration and Appointments, Related Parties and Control and Risks Committees were appointed by the Board of Directors on May 6, 2020 and shall remain in office until the date of approval of the financial statements at December 31, 2022.

Group Structure

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

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:

EBIT: the operating result.

Adjusted EBITDA: the operating result (EBIT) including depreciation, amortization, and provisions, however excluding non-recurring costs/income and costs related to Top Management bonuses.

Adjusted EBIT: the operating result excluding non-recurring costs/income and costs related to Top Management bonuses.

Current profit/loss for the period: used for a comparison in terms of total consolidated result, represents the profit/loss net of non-recurring income and expense, inclusive of the relative taxes. As such, this indicator provides useful and immediate information on the profit trends for the period without considering non-recurring components.

Fixed assets: calculated as the sum of the following items: goodwill, intangible assets other than goodwill, property, plant and equipment, investments accounted for using the equity method, non-current financial assets, deferred tax assets. Any fair value of hedging derivatives included in the item "non-current financial assets" should be excluded from these items.

Net working capital: calculated as the algebraic sum of inventories, trade receivables and trade payables.

Other receivables and payables: the sum of the following items: current tax assets, other receivables and other current assets, non-current assets held for sale, other non-current liabilities, deferred tax liabilities, provisions, employees benefits liabilities, current tax liabilities, other current liabilities and liabilities directly associated with non-current assets held for sale. Any fair value of hedging derivatives and current financial assets included in the item "other receivables and other current assets" should be excluded from these items.
Net Working Capital: is calculated as the algebraic sum of trade net working capital and other receivables and payables.
Net Invested Capital (NIC): calculated as the algebraic sum of net working capital, fixed assets, and other receivables and other payables, as defined above. This indicator represents the capital "Requirements" necessary for the company's operation at the reporting date, financed through the two components, Capital (Shareholders' equity) and Third-party Funds (Net financial position).
Net Financial Position (NFP), or also "Total Financial Indebtedness" in the ESMA definition: calculated as the algebraic sum of the following items: cash and cash equivalents, non-current/current financial liabilities, which also include payables associated with acquisition prices still to be paid and the positive/negative fair value of hedging derivatives and current financial assets recorded under the item "other receivables and other current assets".
ROI: calculated as the ratio between Adjusted EBIT and Net Invested Capital; Adjusted EBIT for the period is calculated on a 12-month rolling basis to provide a consistent comparison with the figure calculated for the entire year.
Group ROE: calculated as the ratio between the profit/loss attributable to the owners of Parent company and the shareholders' equity attributable to the shareholders of the parent company; also in this case, the profit for the period attributable to the Group is calculated on a 12-month rolling basis to provide a consistent comparison with the figure calculated for the entire year.

Introduction

This interim financial report of the Orsero Group was prepared in compliance with the international accounting standards (IAS/IFRS) recognized by 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.
The disclosure contained in this document also responds to the requests set forth in CONSOB's March 18 warning notice, which refers back to the ESMA communication of the previous March 14, urging issuers to provide adequate and timely disclosure on the current and foreseeable effects that the conflict in Ukraine is having and/or is expected to have on the economic and financial situation of issuing companies.
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 EURONEXT STAR Milan Market 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 as at December 31, 2021.
The interim financial report includes a summary consolidated financial statement disclosure consisting of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in shareholders' equity. The balance sheet information is provided with reference to September 30, 2022 and December 31, 2021, while the income statement information is provided with regard to the situation at September 30, 2022 and 2021. 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 for the first nine months of 2022 experienced marginal changes compared to the same period of 2021, mainly linked to the acquisition of 50% of the share capital of Agricola Azzurra S.r.l., consolidated with the equity method effective as of the fourth quarter of 2021, while the merger as of January 1, 2022 of Moncada Frutta S.r.l. into Fruttital S.r.l. and the merger in July 2022 of Fruttital Firenze S.r.l. into Fruttital S.r.l., as part of the rationalization and simplification of the Group's operating structure in Italy, are irrelevant in terms of the scope of consolidation.
The Group's business is, by its very nature, subject to significant seasonal phenomena arising from the various import campaigns as well as domestic production, and therefore the results for the first nine months of 2022 can only be considered partially representative of performance for the entire year.
Lastly, this interim financial report has not been audited.

Significant events during the first nine months of 2022

The most significant events that took place during the first nine months of 2022 are described below, consisting mainly of (i) the ongoing monitoring of the general macroeconomic situation and the economic and capital situation of the Group in the face of the development of the conflict in Ukraine and from the effects as well of the Covid-19 pandemic, (ii) the Shareholders' Meeting resolutions of April 28 relating to the distribution of the dividend on the 2021 result, (iii) the authorization to purchase and dispose of treasury shares, (iv) the signing of two Letters of Intent in preparation for the finalization of two acquisitions in France (not yet finalized) of the French companies Capexo - specialized in the import of exotic products to France - and Blampin - the first French operator in the distribution of fruit and vegetables in terminal markets ("MIN").

Effects of the conflict in Ukraine and the Covid-19 pandemic

The year 2022 began in the shadow of widespread uncertainty concerning possible cost-related inflationary risks within the post-Covid global recovery, and about the impacts that such effects might have on end consumer demand trends and thus on the actual strength of the recovery itself. Since February 24, the outbreak of the conflict in Ukraine has radically exacerbated the situation, generating even more severe impacts on the growth of commodity prices due to the explosion of energy, raw material and transportation costs and on the growth outlooks of world economies, particularly those of Europe due to their heavy dependence on Russian gas supplies.
In this context, the Group's activities have not - at least so far - been affected to any significant extent that would cause a business disruption, both because of the absence of direct relations with countries in conflict and because of the nature of its business related to the marketing of essential food products. Without a doubt there was a marked increase in energy and transportation costs during the period, but to a large extent it was possible to incorporate it within the sale prices of our goods and services, so it did not significantly affect the Group's profitability and thus call into question the going concern assumption or the successful outcome of operations with respect to the estimates made by management. It should be noted that in July and August energy cost peaks reached unprecedented levels and had a significant impact on the profitability of the Distribution BU, especially in Italy and Spain; the speed with which costs increased and the level reached did not allow the Group companies to fully transfer the increase in energy costs to sale prices; from September onwards the cost of energy began to fall and on the other hand the commercial initiatives put into place to offset the impact on profitability began to re-balance the situation.
However, the environment remains extremely uncertain and volatile with the real possibility that what happened in July and August could be repeated, generating even significant impacts on the Group's profitability.
On the other hand, with respect to Covid, the Group companies continued to be committed to applying the required safeguards and precautions to employees and third parties both in warehouses and markets as well as in offices, in order to reduce the health risk of contagion. The companies continued to implement the safety protocols outlined by the Authorities to regulate interpersonal contact within their operating platforms and offices, carry out the necessary sanitization activities and provide personal protection equipment. All personnel, both internal and external, have continued to fully collaborate, to ensure the effective handling of our products within the warehouses. In economic terms, until September 30, 2022, costs associated with the purchase of personal protective equipment and sanitization services totaled Euro 66 thousand.
The Group's management is carefully monitoring operations from the financial and commercial as well as the organizational standpoint, including the treasury situations relating to collections from customers and any aid measures in favor of businesses under discussion by the governmental authorities of each country.

FY 2022 Guidance

On February 1, 2022, the Board of Directors, based on the approved Budget projections for FY 2022, announced its Guidance with reference to the key economic and financial indicators forecast for FY 2022 in continuity with what was already done for FY 2020 and 2021 as part of the broader strategy of implementing increasingly smooth and effective communication with the Group's stakeholders. It should be noted that at the time of approval of the results for the first half of 2022, the Board of Directors updated the FY 2022 Guidance on consolidated results (see press release of September 12), revising upwards the initial estimates for revenue, Adjusted EBITDA, Net Profit and ultimately the amount of investments.

Distribution of the ordinary dividend

The Shareholders' Meeting of April 28, 2022 approved the allocation of profit for the year 2021 of Euro 7,011 thousand as proposed by the Board of Directors and in particular the distribution of an ordinary monetary dividend of Euro 0.30 per share, gross of withholding tax, for each existing share entitled to receive a dividend, thus excluding from the calculation 327,514 treasury shares held by the company, for a total dividend of Euro 5,206 thousand. The ex-dividend date was May 9, 2022, the record date was May 10 and payments began on May 11, 2022.

Resolution on the Remuneration Report

The Shareholders' Meeting of April 28, 2022 approved with an advisory vote pursuant to the law, with a percentage of 94.31% votes in favor and none against, the Remuneration Report (Section II) on the compensation paid in 2021.

Authorization to purchase and dispose of treasury shares

The Shareholders' Meeting of April 29, 2021 authorized the Board of Directors to purchase and dispose of Orsero ordinary treasury shares, subject to revocation of the previous authorization for the portion not executed, pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, and Article 132 of Italian Legislative Decree 58/1998 as amended (the "Consolidated Law on Finance") and the relative implementing provisions. The renewal of this authorization is intended to confirm the possibility for the Company to have a useful strategic investment opportunity available for all purposes permitted by the applicable provisions, including therein the purposes set out in Art. 5 of Regulation (EU) no. 596/2014 (Market Abuse Regulation or "MAR"), and in the practices permitted by law under Art. 13 of the MAR, when applicable. In line with the prior authorization, the new authorization is for a period of 18 months for the purchase, including in several tranches, of a maximum number of shares which, taking account of the shares of the Company held in the portfolio from time to time, does not, on the whole, exceed a maximum of Euro 2 million. The authorization to dispose of treasury shares has no time limitation. Purchases 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. Under the program launched on January 11, 2022, 25,000 shares were purchased for a total value of Euro 273 thousand and at an average price of Euro 10.914.
The Shareholders' Meeting of April 28, 2022 renewed the authorization to purchase treasury shares, for a period of 18 months and for a maximum value of Euro 4 million. On June 10, 2022, a new treasury share purchase program was initiated for a maximum of 150,000 shares and a maximum value of Euro 2,000,000 in connection with which, as of June 30, an additional 55,537 shares were purchased for a value of Euro 667 thousand and at an average price of Euro 12.010. In July Orsero completed the purchase of 150,000 treasury shares, announced in early June, adding 94,463 shares to the 383,051 shares held as of June 30. As a result of this transaction, as of the date of this report the company therefore holds 477,514 treasury shares, equal to 2.70% of the share capital.

Appointment of new top management of Hermanos Fernández López S.A. and Eurofrutas S.A.

As part of the strategic project to reorganize its activities in the Iberian Peninsula, the top management in Spain and Portugal were renewed with the appointment of Feliciano Freiria as CEO of Hermanos Fernández López and João Antunes as CEO of Eurofrutas, both wholly owned subsidiaries of the Orsero Group. The appointments were made by leveraging the Group's internal talent and resources, with a view to the continuity of the Orsero project and with the aim of developing new synergies between the businesses in Spain and Portugal. The new CEOs will aim to continue to develop the business in a sustainable, efficient and profitable manner, working together to make the two countries increasingly integrated from both a business and distribution perspective. To this end, Cristophe Laffon (Commercial Director and member of Fernandez's Board of Directors) and Josep Segarra (Fernandez's Key Product Manager) have joined the Board of Directors of Eurofrutas and will assist the new CEO in defining commercial and sourcing strategies aimed at the progressive integration and synergy of operations within the Iberian Peninsula.

Purchase of shares in Tirrenofruit S.r.l.

In May an 8% in the share capital of the distribution company Tirrenofruit S.r.l. was acquired, with an outlay of Euro 1,160 thousand, in addition to the 8% already acquired in the previous year. This transaction, alongside the investment in the company Agricola Azzurra in the second half of 2021 and commented on in the last Financial Statements, is part of the Group's efforts to strengthen its strategic presence with regard to the marketing of domestic fruit and vegetables in the large retail channel.

Capexo and Blampin acquisitions

In a press release dated July 27, the Group announced the signing of two exclusive agreements to purchase 100% of the company Capexo and 80% of the Blampin Group, French companies active in the import and distribution of fruit and vegetable products. The former, with turnover of approximately Euro 66 million is very active in the exotic fruits segment; the latter, with turnover of approximately Euro 195 million, is the top domestic operator in wholesale markets with 12 sales platforms.
With these acquisitions, which are perfectly in keeping with the strategic policies announced by the Group, Orsero will significantly accelerate the growth of revenues and profitability of the Distribution Business Unit as a whole, achieving a strong strategic market positioning in France in terms of size, product range and sales channel coverage.
Medium-term continuity of the current ownership and management is expected in both companies.
The total investment for the two acquisitions amounts to approximately Euro 85 million between the direct outlay when the shares are transferred (Euro 65 million) and the possible payment of earn-outs linked to the achievement of a certain levels of results over the next few years (a total of Euro 19.5 million). In the case of Blampin, there is also a put/call option scheme that can be exercised starting from 2027 with reference to the 20% that will remain under the ownership of the Blampin family and some of the company's top managers.
An October 10 press release confirmed the signing of the Capexo purchase agreement, subject to the conditions precedent already mentioned relating to clearance from the French Antitrust Authority and French regulations regarding foreign investments that require additional clearance from the French Treasury. Both procedures are expected to be completed by the end of the current year. The same press release also describes the Blampin acquisition, for which due diligence activities and the negotiation of final agreements are under way with the aim of finalizing this transaction as well by the end of 2022, which is also subject to antitrust authorization and regulations on foreign investment in France.

New medium-term loan taken out

In order to meet the financial commitments linked to the new acquisitions, Orsero took out a 2022-2028 medium/long-term ESG-linked loan from a pool of leading European banks (see press release of August 4) for a total of Euro 90 million. Part of the funding, in the amount of approximately Euro 33 million, has been allocated to repay the previous pool loan (outstanding debt of approx. 22 million) as well as to finance operating investments made by the Group in the last 12 months, while the remainder will be used and allocated to support the financial outlay linked to the two acquisitions described above. The loan has a variable interest rate pegged to the 6-month Euribor with no floor plus a margin also based on the evolution of several ESG indicators covered by the Strategic Sustainability Plan. With this transaction, the Group was able to lengthen the overall duration of the remaining medium-term debt relating to the 2018 pool loan to 2028, provide new financial resources for the continuation of its growth process and further focus loan relationships on a limited group of domestic and international banks with which it can maintain strategic and long-term relationships.

Analysis of the economic and financial situation of Orsero Group

The interim financial report at September 30, 2022 shows a net profit of Euro 29,653 thousand (at September 30, 2021: Euro 15,383 thousand), of which Euro 29,340 thousand pertains to the shareholders of the parent company (at September 30, 2021: Euro 15,190 thousand), after amortization, depreciation and provisions of Euro 21,968 thousand (at September 30, 2021: Euro 20,663 thousand), net non-recurring expenses of Euro 2,138 thousand (mainly related to litigation, estimated profit sharing, as required by law, for employees of the French and Mexican companies as well as the portion of the 2020-2021 LTI bonus accrued during the period) and the pro-rata result of companies consolidated at equity of Euro 1,854 thousand.
Below is a breakdown of the main income statement items, almost all identifiable in the financial statements with the exception of the "Adjusted EBITDA", which is the main performance indicator used by the Group, "Adjusted EBIT" and the "Current profit/loss for the period", defined in the "Alternative performance indicators" section. It should be noted that all the figures shown include the effects of the application of IFRS 16.

Thousands of euro	**Jan.-Sep. 2022**	**Jan.-Sep. 2021**
Net Sales	894,291	788,988
Adjusted EBITDA	58,415	41,821
Adjusted EBIT	36,447	21,158
Operating result (EBIT)	34,310	21,398
Financial income	275	223
Financial expense and exchange rate differences	(4,325)	(2,983)
Other investment income/expense	7	10
Share of profit/loss of associates and joint ventures accounted for using equity method	1,854	645
Profit/loss before tax	32,122	19,292
Profit/loss for the period	29,653	15,383
Profit/loss attributable to non controlling interests	313	193
Profit/loss attributable to Owners of Parent	29,340	15,190
Adjusted profit/loss for the period	31,383	15,269

Overall, the Group's performance in the first nine months of 2022 was significantly better (+39.7% in terms of Adjusted EBITDA) than in the previous year, mainly due to the excellent result achieved by the Shipping sector. Moreover, to properly interpret the data it should be noted that there is currently a quite favorable situation taking place in this sector in 2022, combining the growth of maritime freight rates with the revaluation of the dollar against the Euro (as the dollar constitutes the reference currency for maritime activity). On the other hand, the Distribution sector showed a decline compared to the previous year relating to the general increase in costs (and more specifically energy costs), which could not be fully transferred to sale prices. Despite this fact the sector's profitability in terms of Adjusted EBITDA in any event stood at 3.2% of sales, i.e., in line with the reference industry standard. In fact, it should be recalled how last year Adjusted EBITDA of 4% was achieved thanks to a very positive market situation for several important product campaigns such that it was possible to achieve a result above the historical average performance.
For the Distribution sector, it seems appropriate to note the impact of operating energy costs, amounting to Euro 11,443 thousand, compared to Euro 5,130 thousand in the first nine months of 2021 (+123%), and also the increase in the value of the dollar against the Euro - with the exchange rate going from 1.196 USD/Euro in the first nine months of 2021 to the current 1.064 - which had its

impact in determining the margins of the banana product, significantly increasing its supply cost. In contrast, the same currency effect plays into the determination in Euro of the margins of the shipping business, in which as mentioned above the dollar is the reference currency with regard to all revenues but only a portion of operating costs.
Adjusted EBITDA, totaling Euro 58,415 thousand, marked an increase of Euro 16,594 thousand compared to last September 30, and the profit for the period of Euro 29,653 thousand increased by Euro 14,270 thousand, essentially linked to the better operating performance expressed by Adjusted EBITDA[7] as well as the reduction in tax expenses.
As anticipated in the previous report to the Financial Statements for the year 2021, it is necessary to point out how the improvement in Adjusted EBITDA is significantly affected by the recovery - in accordance with IFRS 16 - of the cost of chartering the fifth ship used by the shipbuilding company, amounting to Euro 4,049 thousand, with, however, a negative effect on the result for the period limited to Euro 32 thousand as it is more than offset by a higher expense in terms of amortization and depreciation and financial expenses.
The table also shows the lower incidence between the two periods of tax expenses due to the shipbuilding company's adoption of the "tonnage tax," starting from reporting as of September 30, 2021, against a much higher result.
In terms of turnover, there was an increase in revenues compared to September 30, 2021 of Euro 105.3 million (+13.3%), driven by the growth recorded in unit sale prices for the Distribution sector, an increase essentially driven by inflation and thus by the repercussion on market sale prices of the higher costs incurred across the supply, logistics and processing chain, and the increase in freight rates - including the higher value of the cost of fuel charged back to customers as a result of the BAF "Bunker Adjustment Factor" clause - and the USD/Euro exchange rate for the Shipping sector.

Thousands of Euro	Jan.-Sep. 2022	Jan.-Sep. 2021
"Distribution" Sector	817,030	739,920
"Shipping" Sector	106,029	75,031
"Holding & Services" Sector	8,653	7,501
Net Sales Inter-sector	(37,421)	(33,464)
Net Sales	**894,291**	**788,988**

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 2022 and 2021, showing the Group's eurocentric nature.

Thousands of euro	Jan.-Sep. 2022	Jan.-Sep. 2021	Change
Europe	**856,663**	**753,928**	**102,735**
of which Italy	*406,351*	*347,528*	*58,824*
of which France	*138,330*	*150,444*	*(12,114)*
of which Iberian Peninsula	*287,220*	*234,580*	*52,640*
Latin America and Central America	**37,628**	**35,060**	**2,568**
Total Net sales	**894,291**	**788,988**	**105,303**

[7] The improvement of Euro 14,270 thousand results from the better operating performance by Euro 16,594 thousand, higher amortization, depreciation and provisions by Euro 1,305 thousand, higher net financial expenses by Euro 77 thousand, higher foreign exchange expenses by Euro 1,212 thousand, lower taxes by Euro 1,441 thousand, a higher result from investments accounted for at equity by Euro 1,210 thousand and higher non-recurring costs by Euro 2,381 thousand.

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 not significant (with the exception, as noted above, of Shipping activities, the revenues of which moreover accounts for less than 10% of total revenues), given that the revenues of distributors, apart from the Mexican company, are all in euros.

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

Thousands of euro	Jan.-Sep. 2022	Jan.-Sep. 2021
Profit/loss for the period	**29,653**	**15,383**
Income tax expense	2,468	3,909
Financial income	(275)	(223)
Financial expense and exchange rate differences	4,325	2,983
Other investment income/expense	(7)	(10)
Share of profit/loss of associates and joint ventures accounted for using equity method	(1,854)	(645)
Operating result	**34,310**	**21,398**
Amortization and depreciation	20,932	18,797
Accruals of provision	1,036	1,867
Non-recurring income	-	(1,820)
Non-recurring expense	2,138	1,580
Adjusted EBITDA	**58,415**	**41,821**

* Please note that the Adjusted EBITDA at September 30, 2022 equal to Euro 58,415 thousand (Euro 41,821 thousand at September 30, 2021) icreases by Euro 10,358 thousand (Euro 5,736 thousand at September, 30 2021) due to the adoption of IFRS 16 "leases". This improving effect is almost completely offset by the higher depreciation Euro 9,314 thousand (Euro 5,233 thousand at September, 30 2021) and interest expense Euro 738 thousand (Euro 658 thousand at September 30, 2021).

The table below shows the sector results in terms of Adjusted EBITDA highlighting the above-mentioned improvement in the Shipping sector by Euro 20,277 thousand compared to the Adjusted EBITDA in the first nine months of 2021 and the decrease of the Distribution sector by Euro 3,252 thousand. Please note that the Adjusted EBITDA of Euro 58,415 thousand was impacted by the IFRS 16 reclassification of Euro 10,358 thousand, while in the first nine months of 2021, that impact amounted to Euro 5,736 thousand. The difference is, as mentioned, mainly due to the recovery of the cost of chartering the fifth ship, as until December 31, 2021 IFRS 16 was not applied because the charter was agreed upon on an annual basis and not, as currently, two years. It is also necessary to note how the overall measure of amortization and depreciation was affected, in the amount of Euro 2,703 thousand, by the lower depreciation rate on owned ships resulting from the extension of their useful life to the end of 2029 decided at the beginning of this year.
The Holding & Services sector is mainly represented by the Parent Company Orsero S.p.A., flanked on a lesser scale by the companies operating in customs services, most of which are provided to third parties, and IT services, mainly inter-company. The result measured by adjusted EBITDA is typically negative, as the Parent Company determines its result according to the dividends collected from Group companies.

Thousands of Euro	Jan.-Sep. 2022	Jan.-Sep. 2021
"Distribution" Sector	26,120	29,372
"Shipping" Sector	37,973	17,696
"Holding & Services" Sector	(5,678)	(5,247)
Adjusted EBITDA	**58,415**	**41,821**

The table below, on the other hand, shows the comparison of current results, highlighting, in the comparison with the previous year, the higher incidence of the costs for the LTI bonus accrued by the Top Management for the years 2020 and 2021, an extraordinary expense of Euro 489 thousand for the return of the R&D tax credit (as reported in the last half-yearly report) and the elimination of the significant non-recurring positive component represented in 2021 by the capital gain on the sale of the Milan warehouse. It should be noted that the "Other non-recurring" component includes Euro 50 thousand for September 2022 relating to net costs for Covid-19 given their significantly lower level than in previous periods.
It should be noted again that the calculation of the Top Management bonus referring to the current year is historically done only in the year-end Annual Report.
All items are shown net of relative tax effects.

Thousands of Euro	Jan.-Sep. 2022	Jan.-Sep. 2021
Profit/loss for the period	**29,653**	**15,383**
The profit sharing established by law for employees	142	431
Plusvalues from the sale of Milan warehouse/fotovoltaic	-	(1,262)
Long-Term Incentive plan for Management	632	148
Other non-recurring profit/loss	956	570
Adjusted profit/loss for the period	**31,383**	**15,269**

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	30.09.2022	31.12.2021
Fixed Assets	257,199	251,161
Net Working Capital	39,463	30,156
Other receivables and payables	(18,724)	(21,118)
Net Invested Capital	277,938	260,199
Total Shareholders' Equity	201,915	175,854
Net Financial Position	76,023	84,346

The main changes in the financial structure at September 30, 2022 compared to December 31, 2021 are primarily linked to:

- increase in fixed assets by Euro 6,038 thousand, the main component of which is attributable to Euro 23,990 thousand in investments made in intangible and tangible assets (of which the IFRS 16 component for new and renewed lease agreements is Euro 14,353 thousand) and Euro 1,160 thousand in equity investments valued with the equity method, in addition to the positive result of such investments of Euro 1,854 thousand, offset by Euro 20,932 thousand in depreciation and amortization and Euro 442 thousand in disposals;
- increase in Trade Net Working Capital by Euro 9,307 thousand, relating to the increase in turnover linked to the prices of products sold, induced by inflation;
- improvement, i.e., decrease in Net Financial Position (also referred to as Total Financial Indebtedness) of Euro 8,323 thousand due to cash flow deriving from operations that more than offset the effects mentioned above as well as the payment of the Orsero dividend and the purchase of treasury shares. It is also worth mentioning that some major concession agreements were renewed during the year, which had a significant impact for IFRS 16 purposes of approximately Euro 14.4 million.

Investments made by the Group in the period in intangible assets other than goodwill and in property, plant and equipment amounted to a total of Euro 23,990 thousand. The main investments are related to completions and upgrades of IT systems and specific improvements on buildings and facilities at the Rungis (France) and Alverca (Portugal) warehouses along with normal renovation investments at other sites. The total amount of investments of Euro 23,990 thousand includes EUR 14,353 thousand for "rights of use" as per IFRS 16, mainly connected with the extension of container rental contracts, renewals and new contracts and concessions entered into relating to warehouses, stands and sales points in terminal markets, as well as rent adjustments due to inflation.

The summary representation of the consolidated financial statements through the main indicators highlights the good capital and financial structure of the Group, also within an "IFRS 16 compliant" context.

	Jan.-Sep. 2022	Year 2021	Jan.-Sep. 2021
Group ROE**	19.26%	11.66%	9.91%
ROI**	14.69%	9.81%	9.42%
Earnings per share "base" ***	1.695	1.045	0.867
Earning per share "Fully Diluted" ***	1.695	1.045	0.867
Net Financial Position/Total Shareholders' Equity	0.38	0.48	0.43
Net Financial Position/Adjusted EBITDA*	1.09	1.59	1.47
Main indicators without IFRS 16 effect			
Net Financial Position/Total Shareholders' Equity	0.16	0.26	0.27
Net Financial Position/Adjusted EBITDA*	0.56	1.00	1.10

* Please note that the Adjusted Ebitda of 30 september is determined "rolling", that is to say, considering for the Adjusted Ebitda at 30.09.2022 the result achieved from 1° October 2021 to 30 September 2022, while for the Adjusted Ebitda at 30.09.2021 the result achieved from 1° October 2020 to 30 September 2021.

** Please note that the ratios at September 30, 2022 and at September 30, 2021 are determined considering the economic data "rolling", that is to say, considering for the economic data at 30.09.2022 the result achieved from 1° October 2021 to 30 September 2022, while for the economic data at 30.09.2021 the result achieved from 1° October 2020 to 30 September 2021.

*** Please note that the ratios at September 30, 2022 and at September 30, 2021 are determined considering the profit for the first nine months, while for the ratio at December 31, 2021 is used the annual data (12 months).

The Group's financial exposure is presented in the table below, in accordance with the model set forth by the ESMA regulations and adopted by CONSOB.

Thousands of euro		30.09.2022	31.12.2021
A	Cash	65,280	55,043
B	Cash equivalents	10	21
C	Other current financial assets	4,080	1,356
D	**Liquidity (A + B + C)**	**69,370**	**56,420**
E	Current financial debt *	(11,944)	(15,499)
F	Current portion of non-current financial debt **	(23,690)	(27,019)
G	**Current financial indebtedness (E + F)**	**(35,633)**	**(42,518)**
H	**Net current financial indebtedness (G - D)**	**33,736**	**13,903**
I	Non-current financial debt ***	(79,759)	(68,248)
J	Debt instruments	(30,000)	(30,000)
K	Non-current trade and other payables	-	-
L	**Non-current financial indebtedness (I + J + K)**	**(109,759)**	**(98,248)**
M	**Total financial indebtedness (H + L)**	**(76,023)**	**(84,346)**

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

** Including respectively Euro 11,794 thousand and Euro 10,669 thousand fromlease contracts ex IFRS 16 as of 30.09.2022 and 31.12.2021

*** Excluding current portion and debt instruments (including respectively Euro 31,918 and Euro 28,392 thousand from lease contracts ex IFRS 16 as of 30.09.2022 and 31.12.2021)

The share capital at September 30, 2022, fully paid in, consists of 17,682,500 shares without par value for a value of Euro 69,163,340; there are no preference shares. Holders of ordinary shares have the right to receive the dividends as they are resolved and, for each share held, have a vote to be cast in the Company's shareholders' meeting.

Shareholders' equity at September 30, 2022 increased compared to December 31, 2021 mainly due to the profit for the period and the positive change in the mark-to-market values of derivatives compared to December 31, 2021, which more than offset the reduction related to the dividend payment and the purchase of treasury shares. The statement of changes in shareholders' equity provides all information explaining the changes taking place in the first nine months of 2022 and 2021.

At September 30, Orsero S.p.A. held 477,514 treasury shares, equal to 2.70% of the share capital, for a value of Euro 4,788 thousand, shown as a direct decrease in shareholders' equity. As at September 30, 2022, 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 "operating segment". The operating segments identified by the Orsero Group are identified as the business sectors that generate net sales and costs, the results of which are periodically reviewed by the highest decision-making level for the assessment of performance and decisions regarding the allocation of resources. The Group's business is divided into three main sectors:

- Distribution Sector
- Shipping Sector
- Holding & Services Sector

The table below provides a general overview of the performance of the different sectors in the reference period 2022-2021. Please note that the data and comments on the sectors given below show the results of only companies that are consolidated on a line-by-line basis.

Valori in migliaia €	Distribution	Shipping	Holding & Services	Orsero / eliminations	Total
Net sales 30.09.2022 [A]	817,030	106,029	8,653	(37,421)	894,291
Net sales 30.09.2021 [B]	739,920	75,031	7,501	(33,464)	788,988
Net sales change [A] - [B]	77,109	30,998	1,152	(3,957)	105,303
Adjusted EBITDA 30.09.2022 [A]	26,120	37,973	(5,678)	-	58,415
Adjusted EBITDA 30.09.2021 [B]	29,372	17,696	(5,247)	-	41,821
Adjusted EBITDA change [A] - [B]	(3,252)	20,277	(430)	-	16,594
NFP 30.09.2022 [A]	N.d.	N.d.	N.d.	N.d.	76,023
NFP 31.12.2021 [B]	N.d.	N.d.	N.d.	N.d.	84,346
NFP change [A] - [B]					(8,323)

Distribution Sector

Thousands of euro	Jan.-Sep. 2022	Jan.-Sep. 2021
Net Sales	817,030	739,920
Gross commercial margin *	94,020	89,180
% Gross commercial margin	11.51%	12.05%
Adjusted EBITDA	26,120	29,372
% Adjusted EBITDA	3.20%	3.97%
Profit/loss for the period	7,023	11,732

* 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, Iberian Peninsula and Greece) and Mexico. Please note that the sector also includes the companies dedicated to the import of bananas and pineapples since, as already specified, they are strictly interconnected with the activities of the distribution companies.

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 (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, large retail sales in the first nine months of 2022 account for around 60% of the aggregate sales of European distribution companies, in line with the previous year.

The table above differs from the summary tables of the other sectors shown below in that it includes a specific indicator for the distribution sector, the "gross commercial margin", also referred to as the contribution margin, which in distribution companies constitutes the main indicator used to monitor business activity. The "gross commercial margin" represents the difference between net sales and the direct costs of the products sold (meaning the purchase costs of the goods, plus incoming and outgoing 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 significantly in the profit/loss for the period.

The conflict in Ukraine and the effects as well of the Covid-19 pandemic with their impacts on generalized increases in prices, particularly energy, have had an upward impact on the industry's cost structure, which it has only been possible to partially transfer to sale prices.

As for energy costs, these increased from Euro 5,130 thousand in the first nine months of 2021 to Euro 11,443 thousand currently (+123%, with a marked acceleration especially in Italy and Spain for the third quarter from July to September), while the gradual strengthening of the dollar had an effect on the purchase costs (in euros) of bananas, which represent a substantial portion of the range marketed by the Group. Of these sales, a good portion is to large retail, which uses the banana product for promotional purposes to stimulate customers to make department purchases, including on the basis of prices set in advance.

This is despite the fact that profitability measured by Adjusted EBITDA, at 3.2% of sales (or 2.8% excluding the IFRS 16 effect), albeit in line with the normal sector trend, suffered from a significant decrease compared to the previous year, due as mentioned above to cost increases that could not be fully reflected in sale prices, the slight generalized decline in volumes relating to the current crisis situation induced by the global economic situation, as well as the comparison with the year 2021 in which important results were achieved, and to some extent much higher than historical margins on several product campaigns - especially in France.

In geographical terms, the lower profitability affected the business in France, while the companies in Italy, the Iberian Peninsula, Greece and Mexico recorded better performance.

In light of the above, the segment's net profit for the first nine months of 2022 showed a decrease of Euro 4,710 thousand[8].

[8] The decrease of Euro 4,710 thousand results from the lower operating performance by Euro 3,252 thousand, lower amortization, depreciation and provisions by Euro 94 thousand, higher net financial expenses by Euro 114 thousand, higher negative exchange differences of Euro 1,718 thousand, higher net non-recurring expenses of Euro 1,744 thousand and lower taxes by Euro 2,024 thousand.

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Shipping Sector

Thousands of euro	Jan.-Sep. 2022	Jan.-Sep. 2021
Net Sales	106,029	75,031
Adjusted EBITDA	37,973	17,696
% Adjusted EBITDA	35.81%	23.59%
Profit/loss for the period	27,700	8,851

The Shipping sector 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", and with a fifth leased ship, 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 sector achieved excellent performance in the first nine months of 2022, linked on one hand to the volumes transported of both fruit and dry containers - the latter on the west-bound route from the Mediterranean to Central American countries - but above all to the increase in freight rates and the favorable evolution of the dollar exchange rate, the currency in which maritime freight rates are typically denominated. Due to the presence of the BAF ("Bunker Adjustment Factor") clause in transport contracts, the income statement was not penalized by the increase in fuel costs. As previously reported, the improvement in Adjusted EBITDA compared to 2021 was significantly supported by the recovery - in accordance with IFRS 16 - of the cost of chartering the fifth ship, amounting to Euro 4,049 thousand, which on the other hand did not have a significant effect on the result (negative by Euro 32 thousand) as it was fully offset by higher costs for amortization and depreciation and financial expenses. The exceptional operating profitability, coupled with a reduction of Euro 2,704 thousand in depreciation on the four owned vessels due to the extension of their useful lives to the end of 2029, are behind the Euro 18.849 thousand improvement in the result for the period[9].

Holding & Services Sector

Thousands of euro	Jan.-Sep. 2022	Jan.-Sep. 2021
Net Sales	8,653	7,501
Adjusted EBITDA	(5,678)	(5,247)
Profit/loss for the period	9,915	(3,689)

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 the case of 2022 already accounted for in the financial statements for the first nine months of the year, unlike what took place in 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

[9] The change of Euro 18,849 thousand is the result of the better operating performance by Euro 20,277 thousand, higher amortization, depreciation and provisions by Euro 1,472 thousand, higher taxes by Euro 405 thousand, higher exchange gains of Euro 493 thousand and higher financial expenses and non-recurring items for a total of Euro 44 thousand.

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.	5,899,323	33.36%
Grupo Fernandez S.A.	1,180,000	6.67%
Praude Asset Management Ltd.(3)	1,746,792	9.88%
Global Portfolio Investments S.L.(2)	1,014,440	5.74%
First Capital S.p.A.	980,010	5.54%

(1) Updated on October 12, 2022

(2) The declaring company at the top of the control chain is Indumenta Pueri S.L. .

(3) Including the shareholdings managed by Praude Asset Management Ltd. And held by the following subjects: Hermes Linder Fund SICAV Plc.; Praude Funds ICAV; Altinum Funds SICAV Plc.; Plavis Gas SRL

Financial disclosure and relations with Shareholders

In order to maintain a constant dialog with its shareholders, potential investors, and financial analysts, and in adherence with the Consob recommendation, Orsero S.p.A. has established the Investor Relator function. This role ensures continuous information between the Group and financial markets. Economic and financial data, institutional presentations, official press releases, and real-time updates on the share price are available on the Group's website in the Investors section.
Finally, with the approval of the 2021 Consolidated Financial Statements, Orsero S.p.A. adopted and implemented its Stakeholder Dialog and Engagement Policy in keeping with international best practices.

Transactions deriving from atypical and/or unusual transactions

In compliance with the provisions of the Consob Communication of July 28, 2006, please note that in the first nine months of 2022 the Company did not implement any atypical and/or unusual transactions as defined in that Communication, with the exception of the French acquisitions - currently being finalized - already extensively discussed in this Report as well as in the previous half-year report at June 30.

Transactions deriving from non-recurring transactions

In accordance with the Consob Communication of July 28, 2006, it is specified that in the first nine months of 2022, the Group incurred costs relating to non-recurring transactions. In accordance with Consob Resolution no. 15519 of July 27, 2006, please note that "Other operating revenues/costs" includes Euro 2,138 thousand in non-recurring costs, essentially referring to extraordinary costs incurred during the Covid-19 pandemic and expenses linked to profit-sharing (element required by French and Mexican laws) as well as the portion of the 2020-2021 LTI bonus accrued during the period.

Significant events after the third quarter of 2022

In this regard, it is necessary to note the developments linked to the two French acquisitions, for which, as reported in the press release of October 10, due diligence and Antitrust and Foreign Investments control procedures are currently being completed, with the aim of being able to finalize such transactions by the end of this year.

Other than the above, there are no other particularly significant events as of the date of this Report. With reference to the latest developments in the international geopolitical situation and the Covid-19 pandemic, the Group's management continues to monitor their developments with the aim of maintaining an efficient import and distribution logistics chain and preserving its cost-effectiveness.

Outlook for the Orsero Group

The Group's priority continues to be the sustainable growth of its business, by both external and internal channels; with regard to the latter, we believe it is important to emphasize that despite the current difficult economic situation, regular procurement from suppliers, as well as logistics and goods transportation activities that ensure business continuity, have been confirmed to date. The Group is well aware of the uncertainty of the general economic landscape still linked in part to the continuing effects of the Covid-19 pandemic and specifically to the macroeconomic situation resulting from the conflict in Ukraine and the ensuing effects that it may have in the immediate future.
However, even in the face of the current European context dominated by the energy crisis and the resulting possible impact on the consumption of food which is still difficult to quantify, the Group remains confident in the potential for growth and resilience of its business in the medium to long term thanks to its strong competitive positioning on essential goods and solid financial structure and the management's constant commitment to controlling costs and improving the efficiency of the production organization. Thus, the Group's commitments to the timely reporting of business performance to its stakeholders are confirmed, in addition to those relating to ESG issues to create and develop a sustainable business and operating environment in the medium to long term as outlined in the strategic sustainability plan.

Milan, November 10, 2022
Chair of the Board of Directors
Paolo Prudenziati

The Manager appointed to prepare the corporate documents, Giacomo Ricca, states 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.

The Corporate Reporting Manager
Giacomo Ricca

Consolidated financial statements

Consolidated statement of financial position

Thousands of euro	30.09.2022	31.12.2021
ASSETS		
Goodwill	48,245	48,245
Intangible assets other than Goodwill	9,663	9,022
Property, plant and equipment	166,876	164,407
Investments accounted for using the equity method	18,584	14,753
Non-current financial assets	6,020	6,243
Deferred tax assets	9,186	8,492
NON-CURRENT ASSETS	**258,573**	**251,161**
Inventories	47,930	43,333
Trade receivables	141,517	113,677
Current tax assets	16,728	11,254
Other receivables and other current assets	19,245	14,182
Cash and cash equivalents	65,280	55,043
CURRENT ASSETS	**290,700**	**237,489**
Non-current assets held for sale	**-**	**-**
TOTAL ASSETS	**549,273**	**488,650**
Share Capital	69,163	69,163
Other Reserves and Retained Earnings	102,393	87,733
Profit/loss attributable to Owners of Parent	29,340	18,290
Equity attributable to Owners of Parent	**200,897**	**175,186**
Non-controlling interests	**1,018**	**668**
EQUITY	**201,915**	**175,854**
LIABILITIES		
Financial liabilities	109,759	98,248
Other non-current liabilities	808	1,057
Deferred tax liabilities	4,883	4,081
Provisions	5,248	5,326
Employees benefits liabilities	9,689	9,761
NON-CURRENT LIABILITIES	**130,387**	**118,473**
Financial liabilities	35,633	42,518
Trade payables	149,984	126,854
Current tax liabilities	6,360	4,142
Other current liabilities	24,994	20,811
CURRENT LIABILITIES	**216,970**	**194,324**
Liabilities directly associated with non-current assets held for sale	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**549,273**	**488,650**

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Consolidated income statement

Thousands of euro	Jan.-Sep. 2022	Jan.-Sep. 2021
Net sales	894,291	788,988
Cost of sales	(805,038)	(716,820)
Gross profit	**89,252**	**72,168**
General and administrative expense	(55,595)	(51,966)
Other operating income/expense	652	1,195
Operating result	**34,310**	**21,398**
Financial income	275	223
Financial expense and exchange rate differences	(4,325)	(2,983)
Other investment income/expense	7	10
Share of profit/loss of associates and joint ventures accounted for using equity method	1,854	645
Profit/loss before tax	**32,122**	**19,292**
Income tax expense	(2,468)	(3,909)
Profit/loss from continuing operations	**29,653**	**15,383**
Profit/loss from discontinued operations	-	-
Profit/loss for the period	**29,653**	**15,383**
Profit/loss attributable to non controlling interests	**313**	**193**
Profit/loss attributable to Owners of Parent	**29,340**	**15,190**

Consolidated statement of comprehensive income

Thousands of euro	Jan.-Sep. 2022	Jan.-Sep. 2021
Profit/loss for the period	**29,653**	**15,383**
Other comprehensive income that will not be reclassified to profit/loss, before tax	-	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	-	-
Other comprehensive income that will be reclassified to profit/loss, before tax	3,897	2,017
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	(571)	(418)
Comprehensive income	**32,979**	**16,982**
Comprehensive income attributable to non controlling interests	**313**	**193**
Comprehensive income attributable to Owners of Parent	**32,666**	**16,789**

Consolidated cash flow statement

Thousands of euro	Jan.-Sep. 2022	Jan.-Sep. 2021
A. Cash flows from operating activities (indirect method)		
Profit/loss for the period	**29,653**	**15,383**
Adjustments for income tax expense	2,468	3,909
Adjustments for interest income/expense	2,615	2,538
Adjustments for provisions	1,036	1,867
Adjustments for depreciation and amortisation expense and impairment loss	20,932	18,797
Change in inventories	(4,597)	(8,542)
Change in trade receivables	(28,130)	(14,251)
Change in trade payables	23,130	28,280
Change in other receivables/assets and in other liabilities	(3,617)	(2,659)
Interest received/(paid)	(2,193)	(1,988)
(Income taxes paid)	(2,413)	(2,376)
Cash flow from operating activities (A)	**38,885**	**40,957**
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(22,598)	(12,503)
Proceeds from sales of property, plant and equipment	442	4,215
Purchase of intangible assets	(1,886)	(1,441)
Proceeds from sales of intangible assets	-	181
Purchase of interests in investments accounted for using equity method	(4,174)	(1,245)
Proceeds from sales of investments accounted for using equity method	344	604
Purchase of other non-current assets	-	(693)
Proceeds from sales of other non-current assets	902	-
(Acquisitions)/disposal of investments in controlled companies, net of cash	-	-
Cash Flow from investing activities (B)	**(26,970)**	**(10,880)**
C. Cash Flow from financing activities		
Increase/decrease of financial liabilities	(6,508)	(3,582)
Drawdown of new long-term loans	49,202	5,544
Pay back of long-term loans	(40,780)	(18,566)
Capital increase and other changes in increase/decrease	3,830	1,968
Disposal/purchase of treasury shares	(2,215)	(200)
Dividends paid	(5,206)	(3,594)
Cash Flow from financing activities (C)	**(1,677)**	**(18,430)**
Increase/decrease in cash and cash equivalents (A ± B ± C)	**10,237**	**11,647**
Cash and cash equivalents at 1° January 22-21	**55,043**	**40,489**
Cash and Cash equivalents at 30 September 22-21	**65,280**	**52,135**

Consolidated statement of changes in shareholders' equity

Thousand of euro	Share Capital*	Treasury shares*	Reserve of shareholding acquisition costs*	Legal reserve	Share premium reserve	Reserve of exchange diff.es on translation	Reserve of remeasurements of defined benefit plans	Reserve of cash flow hedges	Other reserves	Retained earnings	Profit/loss, attributable to Owners of parent	Equity attributable to Owners of parent	Non-controlling interests	Total equity
December 31, 2020	**69,163**	**(942)**	**(153)**	**396**	**77,438**	**(2,879)**	**(1,297)**	**(931)**	**(5,081)**	**11,685**	**12,217**	**159,617**	**494**	**160,111**
Allocation of the profit/loss	-	-	-	251	-	-	-	-	-	8,460	(8,711)	-	-	-
Issued of equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease thhrough transfers equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(3,506)	(3,506)	(88)	(3,594)
Other comprehensive income net of tax, gains/losses on remeasurements of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income net of tax, cash flow hedges bunker	-	-	-	-	-	-	-	309	-	-	-	309	-	309
Other comprehensive income net of tax, cash flow hedges interest rates	-	-	-	-	-	-	-	200	-	-	-	200	-	200
Other comprehensive income net of tax, cash flow hedges exchange rates	-	-	-	-	-	-	-	1,075	-	-	-	1,075	-	1,075
Purchase of treasury shares	-	(200)	-	-	-	-	-	-	-	-	-	(200)	-	(200)
Increse/decrease through share based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change of consolidation scope	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	15	-	-	-	344	-	359	26	385
Profit/loss for the period	-	-	-	-	-	-	-	-	-	-	15,190	15,190	193	15,383
September 30, 2021	**69,163**	**(1,142)**	**(153)**	**647**	**77,438**	**(2,864)**	**(1,297)**	**653**	**(5,081)**	**20,489**	**15,190**	**173,043**	**625**	**173,668**

Thousand of euro	Share Capital **	Treasury shares **	Reserve of shareholding acquisition costs**	Legal reserve	Share premium reserve	Reserve of exchange diff.es on translation	Reserve of remeasurements of defined benefit plans	Reserve of cash flow hedges	Other reserves	Retained earnings	Profit/loss, attributable to Owners of parent	Equity attributable to Owners of parent	Non-controlling interests	Total equity
December 31, 2021	**69,163**	**(2,572)**	**(153)**	**647**	**77,438**	**(2,719)**	**(1,272)**	**969**	**(3,829)**	**19,225**	**18,290**	**175,186**	**668**	**175,854**
Allocation of the profit/loss	-	-	-	351	-	-	-	-	1,454	16,485	(18,290)	-	-	-
Issued of equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease thhrough transfers equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(5,206)	-	(5,206)	-	(5,206)
Other comprehensive income net of tax, gains/losses on remeasurements of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income net of tax, cash flow hedges bunker	-	-	-	-	-	-	-	585	-	-	-	585	-	585
Other comprehensive income net of tax, cash flow hedges interest rates	-	-	-	-	-	-	-	1,227	-	-	-	1,227	-	1,227
Other comprehensive income net of tax, cash flow hedges exchange rates	-	-	-	-	-	-	-	581	-	-	-	581	-	581
Purchase of treasury shares	-	(2,215)	-	-	-	-	-	-	-	-	-	(2,215)	-	(2,215)
Increse/decrease through share based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change of consolidation scope	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	933	(3)	-	-	469	-	1,400	37	1,437
Profit/loss for the period	-	-	-	-	-	-	-	-	-	-	29,340	29,340	313	29,653
September 30, 2022	**69,163**	**(4,788)**	**(153)**	**997**	**77,438**	**(1,786)**	**(1,275)**	**3,362**	**(2,375)**	**30,973**	**29,340**	**200,897**	**1,018**	**201,915**

(*) Expression of share capital in accordance with IAS 32 net of treasury shares for €/000 1,142 and shareholding acquisition costs for €/000 153
(**) Expression of share capital in accordance with IAS 32 net of treasury shares for €/000 4,788 and costs for the shareholding acquisition costs for €/000 153


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