FINANCIAL STATEMENTS
AT 31 DECEMBER 2021

Cremonini S.p.A.
Via Modena, 53
41014 Castelvetro di Modena (MO) Italy
Share Cap. Euro 67,073,931.60 fully paid-up
Modena Register of Companies no. 00162810360
Modena Economic Admin. Reg. no. 126967
Tax Code and VAT no.00162810360

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CREMONINI GROUP ORGANIZATION

SCOPE OF CONSOLIDATION AT 31 DECEMBER 2021

CREMONINI S.p.A.

PRODUCTION

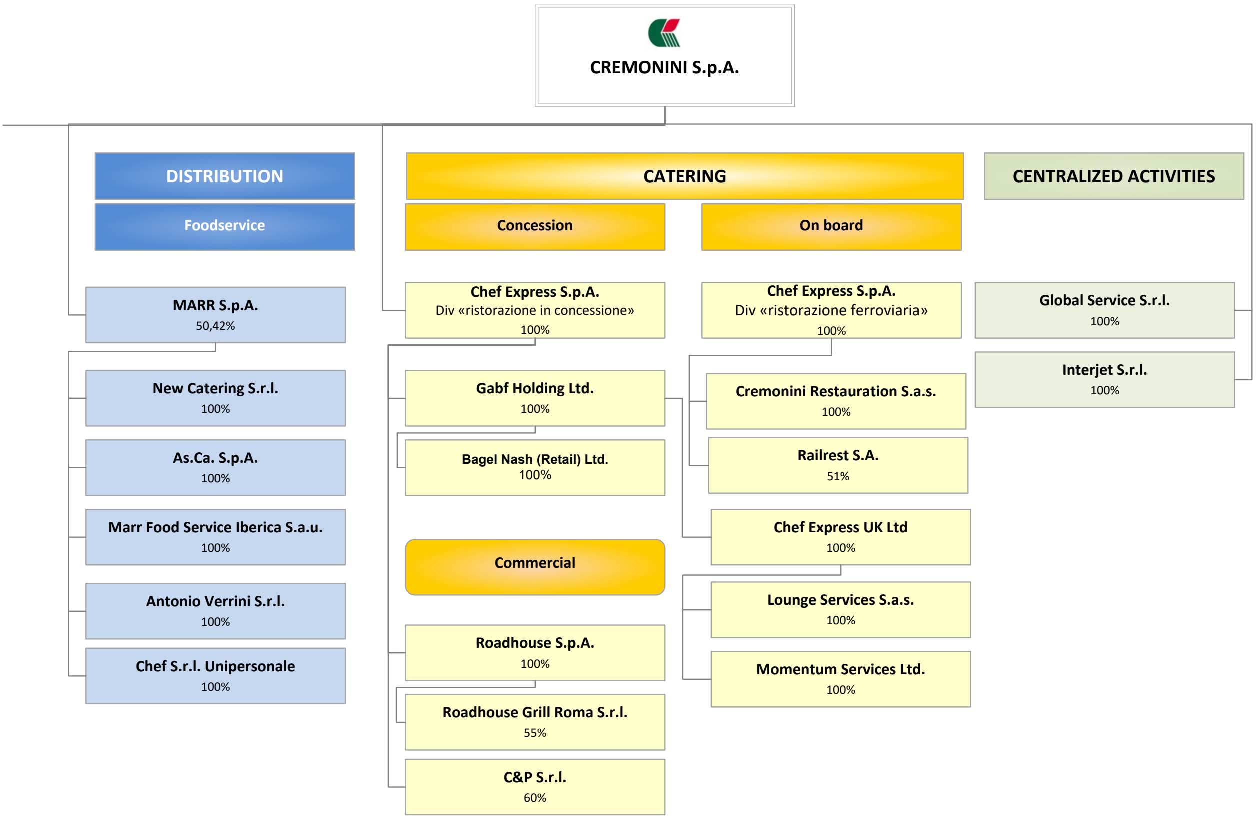
Beef | **Food & Beverage** | **Cured meats & Snack**

- **INALCA S.p.A.** 71.6%
  - Società Agricola Corticella S.r.l. 100%
    - Cremovit S.r.l. 51%
  - Ges.Car. S.r.l. 100%
  - Guardamiglio S.r.l. 90%
    - Treerre Food S.r.l. 90%
  - Dolfen S.r.l. 51%
    - Macello di Parma S.r.l. 81.97%
  - Sara S.r.l. 100%
  - Realbeef S.r.l. 51%
  - Fiorani & C. S.p.A. 51%
  - Tecno-star Due S.r.l. 100%
  - Ina Ten S.r.l. 51%
  - Parma Serv S.r.l. 51%
  - Parma France S.a.s. 51%
    - Parma Capel S.a.s. 66.67%
  - Zaklady Miesne Sochocin S.p.zo.o. 100%
  - Kaskad Llc. 60%
    - Orenbeef Llc. 80%
    - Agrosakmara Llc. 100%
    - Agrosakmara Bashkiriya Llc. 100%
    - Marr Russia Llc. 75%
    - Inalca Food Service Kaz Llp. 100%
  - Inalca Algeria S.a.r.l. 92.26%
  - Inalca Angola Ltda 98%
  - Inter Inalca Angola Ltda. 100%
  - Inalca Kinshasa S.a.r.l. 85%
  - Inalca Brazzaville S.a.r.l.u. 100%
  - Inalca Mocambique Lda. 99%
  - Inalca CI S.a.r.l. 99.9%
  - Inalca Food & Beverage S.r.l. 100%
    - Comit S.L. 60%
      - Hosteria Buttarelli S.L. 100%
      - Tecali S.L. 62.81%
    - Mille Sapori Plus S.p.zo.o. 60%
      - Mille Sapori Due Sp.zo.o. 100%
      - MSP Transport Sp.zo.o. 100%
    - ITAUS Pty Ltd. in liq. 100%
    - Fresco Gourmet Pty Ltd. 100%
      - Inalca Food & Bev. Queensland Pty Ltd 100%
    - IF&B Holding Inc. 100%
      - Inalca Food & Beverage North America Llc. 80%
    - Fratelliditalia S.A. 80%
      - Inalca Food & Beverage Cabo Verde Lda. 80%
    - Bright View Trading HK Ltd. 69.81%
    - Inalca Food & Beverage China Hld Ltd. 55%
      - Top Best International Hld Ltd 100%
      - Zhongshan Inalca Food & Beverage Co Ltd 100%
      - Inalca Food & Beverage (Shanghai) Co. Ltd. 100%
      - Royi Wine & Spirit (China) LTD 80%
        - Royi Wine (Shanghai) LTD 100%
      - Inalca F&B Beijing Holding Ltd 60%
        - Inalca F&B Beijing Co. 100%
    - Inalca Food &Beverage Malaysia Hld Sdn Bhd in liq. 100%
      - Inalca Food & Beverage Sdn Bhd 100%
    - Inalca Food & Beverage (Thailand) Ltd. 100%
  - Italia Alimentari S.p.A. 100%
    - Castelfrigo LV S.r.l. 100%
    - Italia Alimentari Canada Ltd. 60%
    - Montana Alimentari GMBH 100%

continued

CREMONINI GROUP ORGANIZATION
SCOPE OF CONSOLIDATION AT 31 DECEMBER 2021

Continued



CORPORATE BODIES OF CREMONINI S.p.A.

Board of Directors

Chairman	Claudia	Cremonini
Vice Chairman	Illias	Aratri
Chief Executive Officer	Paolo	Boni
Directors	Serafino	Cremonini

Board of Statutory Auditors

Chairman	Eugenio	Orienti
Statutory Auditors	Giulio	Palazzo
	Paola	Simonelli
Alternate Auditors	Patrizia	Iotti
	Daniele	Serra

Independent Auditors PricewaterhouseCoopers S.p.A.

DIRECTORS' REPORT

Introduction

The financial statements at 31 December 2021, pursuant to Legislative Decree No. 38 of 28 February 2005, have been prepared in accordance with the accounting and measurement policies laid down in the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set out in Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

Group performance and results for the 2021 financial year

The restrictive measures adopted to limit the spread of the Covid-19 pandemic, which considerably hit the Group's target markets and significantly affected the results of 2020 and the first quarter of 2021, were gradually eased during the second quarter of 2021 and then subsequently attenuated, including through the introduction of the "Green Pass".

With the opening of outdoor catering facilities that took place on April 26 and then, as from 1 June, including indoors, business activities were resumed in the sectors, first Distribution and then Catering, which had suffered most from the blocks and restrictions on tourism and sales imposed by the containment measures put in place for the pandemic.

On the other hand, the Production Sector, which had already been less affected by the pandemic during 2020 and also benefited fully from the resumption of supplies to the foodservice market, continued to record excellent performances.

During the fourth quarter, inflationary pressures, particularly on the energy account and on raw materials destined for cattle feed (corn, soybeans, and cereals in general), and the increase in the contagion curve limited the growth of revenues and profit margins, which, although up compared to 2020, have not yet reached pre-pandemic levels.

The 2021 consolidated results confirmed the Group's ability to take full advantage of the opportunities offered by the restart, thus performing better than its target markets and closing a good year with profitability and net income up sharply.

In 2021, in fact, the Cremonini Group recorded revenues of Euro 4,077.1 million compared to Euro 3,408.3 million in 2020, showing an increase of Euro 668.8 million (+19.6%).

The gross operating margin came to Euro 315.4 million compared to Euro 246.4 million in 2020, showing an increase of Euro 69.0 million (+28.0%) compared to Euro 246.4 million in 2020, while operating income amounted to Euro 131.3 million compared to Euro 48.8 million in 2020, up by Euro 82.5 million (+169%).

The result from ordinary activities, amounting to Euro 100.6 million compared to Euro -14.5 million in 2020, also benefited from the favourable currency market trend, which entailed the recognition of foreign exchange gains of Euro 8.1 million compared to losses of Euro 25.5 million in the previous year.

Finally, net profit came to Euro 23.4 million, up by Euro 19.0 million compared to Euro 4.4 million in 2020, although a non-recurring charge of Euro 2.9 million was recognised in relation to the make-whole clause resulting from the early repayment, on 23 July 2021, of the last tranche of the remaining debt of the USPP dollar bond underwritten by MARR S.p.A. in July 2013.

Below are summarised the schedules of the income statement, balance sheet and cash flows for 2021, compared with the consolidated financial statements for the period ended 31 December 2020.

For a more complete analysis of the Group's results, the related details are reported below, broken down by business sector.

Consolidated Income Statement

(Euro/000)	Year 2021	Year 2020	Change %
Total revenues	**4.077.057**	**3.408.250**	**19,62**
Changes in inventories of work in progress, semi-finished and finished goods	(18.693)	34.171	
Value of production	**4.058.364**	**3.442.421**	**17,89**
Cost of production	(3.343.556)	(2.843.282)	
Value added	**714.808**	**599.139**	**19,31**
Personnel costs	(399.363)	(352.762)	
Gross operating margin [(a)]	**315.445**	**246.377**	**28,03**
Amortization, depreciation and write-downs	(131.988)	(140.691)	
Rightof use amortization and depreciation	(52.130)	(56.874)	
Operating income [(b)]	**131.327**	**48.812**	**169,05**
Net financial income (charges)	(5.809)	(40.256)	
Right of use finanzial charges	(24.886)	(23.047)	
Profit from ordinary activities	**100.632**	**(14.491)**	**n/a**
Net income (charges) from investments	556	(305)	
Net extraordinary financial income (charges)	(2.880)	-	
Result before taxes	**98.308**	**(14.796)**	**n/a**
Income taxes for the financial year	(32.750)	35.616	
Result before minority interests	**65.558**	**20.820**	**n/a**
(Profit) Loss attributable to minority interests	(42.146)	(16.387)	
Net profit attributable to the Group	**23.412**	**4.433**	**n/a**

Consolidated Balance Sheet

(Euro/000)	31.12.2021	31.12.2020	Change %
Intangible assets	240.997	238.234	
Tangible assets	1.224.932	1.158.459	
Right of use	321.939	292.553	
Equity investments and other financial assets	41.970	38.916	
Total fixed assets	**1.829.838**	**1.728.162**	**5,88**
Trade net working capital			
- Trade receivables	595.213	503.085	
- Inventories	552.287	455.800	
- Trade payables	(664.073)	(500.138)	
Total trade net working capital	483.427	458.747	
Other current assets	126.735	129.597	
Other current liabilities	(131.246)	(95.591)	
Net working capital	**478.916**	**492.753**	**(2,81)**
Staff Severance Indemnity Provision and other m/l term provisions	**(76.173)**	**(78.018)**	
Net invested capital	**2.232.581**	**2.142.897**	**4,19**
Shareholders' Equity attributable to the Group	621.766	587.870	
Shareholders' Equity attributable to minority interests	382.688	362.136	
Total Shareholders' Equity	**1.004.454**	**950.006**	**5,73**
Net medium/long-term debt	701.565	708.017	
Net short-term debt	151.069	157.163	
Net debt before IFRS 16	**852.634**	**865.180**	**(1,45)**
Net medium/long-term debt - Right of use	308.054	271.544	
Net short-term debt - Right of use	67.439	56.167	
IFRS 16 effects on net debt	**375.493**	**327.711**	
Net debt	**1.228.127**	**1.192.891**	**2,95**
Net equity and net debt	**2.232.581**	**2.142.897**	**4,19**

a – EBITDA (Gross operating margin) is an economic indicator not defined in the International Accounting Standards and the IFRS. EBITDA is the measurement used by the Company's management to monitor and assess its operations. The managements believes that EBITDA is a key indicator for measuring the Group's performance as it is not affected by the volatility due to the effects of the various criteria of calculating taxable income and by the amount and characteristics of the invested capital, as well as by the related amortisation and depreciation criteria. At present, subject to a subsequent in-depth study regarding the developments in the definitions of corporate performance indicators, EBITDA is defined by the Cremonini Group as the Profit/Loss before depreciation and amortization of tangible and intangible assets, allocations and write-downs, financial charges and income and income taxes.

b – The operating profit (EBIT) is defined by the Cremonini Group as the Profit/Loss for the year before financial charges and income, non-recurring items and income taxes.

Consolidated Net Debt [c]

(Euro/000)	**31.12.2021**	30.09.2021	30.06.2021	31.12.2020
Payables to banks, bonds and other financial institutions				
- due within 12 months	(508.164)	(552.009)	(675.455)	(551.400)
- due between 1 and 5 years	(530.568)	(538.093)	(583.077)	(611.005)
- due beyond 5 years	(170.997)	(171.463)	(101.434)	(97.012)
Total payables to banks, bonds and other financial institutions	**(1.209.729)**	**(1.261.565)**	**(1.359.966)**	**(1.259.417)**
Liquidity				
- cash and cash equivalents	343.491	414.543	434.493	384.231
- other financial assets	13.604	9.140	9.097	10.006
Total liquidity	**357.095**	**423.683**	**443.590**	**394.237**
Total net debt before IFRS 16	**(852.634)**	**(837.882)**	**(916.376)**	**(865.180)**
Financial liabilities right of use				
- within 12 months	(67.439)	(65.777)	(63.378)	(56.167)
- between 1 and 5 years	(223.543)	(201.591)	(191.366)	(199.445)
- beyond 5 years	(84.511)	(77.812)	(77.818)	(72.099)
IFRS 16 effects on net debt	**(375.493)**	**(345.180)**	**(332.562)**	**(327.711)**
Total net debt	**(1.228.127)**	**(1.183.062)**	**(1.248.938)**	**(1.192.891)**

The Group's net financial debt at 31 December 2021 amounted to Euro 1,228.1 million, up by Euro 35.2 million compared to Euro 1,192.9 million at 31 December 2020.

Net of the effects of the adoption of IFRS 16, the Group's net debt at 31 December 2021 amounted to Euro 852.6 million, down by Euro 12.6 million compared to Euro 865.2 million at 31 December 2020.

During the year dividends of Euro 24.0 million were distributed to the market and to minority shareholders; cash outflows for ordinary investments amounted to Euro 154.8 million, while those for acquisitions amounted to Euro 13.0 million. Among the latter items are:

- The acquisition of 100% of quotas of Antonio Verrini S.r.l., which entailed an increase of Euro 7,730 thousand in the debt;
- The acquisition of 49% of quotas of Parma Turc S.a.s., which entailed an increase of Euro 2,103 thousand in the debt;
- The acquisition of 100% of quotas of Società Agricola Anna S.r.l., which entailed an increase of Euro 1,850 thousand in the debt;
- The incorporation involving the investee Zaino IF&B Co. Ltd, in a 50% JV with a third-party company operating in the sector, which entailed an increase of Euro 1,289 thousand in the debt.

c – The Net Debt, utilized as a financial indicator of the indebtedness, is shown as a sum of the following positive and negative components of the Balance Sheet. Positive components: cash and cash equivalents; current securities held for sale; short-term financial receivables; derivative instruments. Negative components: payables to banks; payables to other lenders, leasing and factoring companies; derivative instruments and bonds.

Financial results by business sector

The Group, which operates in the food sector, conducts its business with the position of market leader in three macro business areas:

- Production;
- Distribution;
- Catering.

The Parent Company, both directly and indirectly through its subsidiaries, provides support to the operating sectors, mainly services in the financial, corporate and tax, human resources and insurance, IT system sectors.

Breakdown of revenues by sector

(Euro/000)	**Year 2021**	Year 2020	Change total value	Change %
Production				
Net revenues	2.256.428	2.035.743	220.685	10,84
Intercompany revenues	131.403	85.741		
Total revenues	2.387.831	2.121.484	266.347	12,55
Gross operating margin	175.288	166.223	9.065	5,45
Amortization, depreciation and write-downs	(71.210)	(69.523)	(1.687)	2,43
Operating profit (loss)	104.078	96.700	7.378	7,63
Distribution				
Net revenues	1.415.413	1.036.577	378.836	36,55
Intercompany revenues	40.863	37.100		
Total revenues	1.456.276	1.073.677	382.599	35,63
Gross operating margin	90.491	39.465	51.026	129,29
Amortization, depreciation and write-downs	(32.749)	(36.316)	3.567	(9,82)
Operating profit (loss)	57.742	3.149	54.593	1.733,66
Catering				
Net revenues	403.193	334.139	69.054	20,67
Intercompany revenues	205	265		
Total revenues	403.398	334.404	68.994	20,63
Gross operating margin	51.076	41.185	9.891	24,02
Amortization, depreciation and write-downs	(76.965)	(88.449)	11.484	(12,98)
Operating profit (loss)	(25.889)	(47.264)	21.375	(45,22)
Centralized activities				
Net revenues	2.023	1.791	232	12,95
Intercompany revenues	11.077	10.199		
Total revenues	13.100	11.990	1.110	9,26
Gross operating margin	(1.410)	(496)	(914)	n/a
Amortization, depreciation and write-downs	(3.194)	(3.277)	83	n/a
Operating profit (loss)	(4.604)	(3.773)	(831)	n/a
Consolidation adjustment				
Total revenues	*(183.548)*	*(133.305)*		
Gross operating margin	*0*	*0*		
Amortization, depreciation and write-downs	*0*	*0*		
Operating profit (loss)	*0*	*0*		
Total				
Total revenues	4.077.057	3.408.250	668.807	19,62
Gross operating margin	315.445	246.377	69.068	28,03
Amortization, depreciation and write-downs	(184.118)	(197.565)	13.447	(6,81)
Operating profit (loss)	131.327	48.812	82.515	169,05

The Group's total revenues, if compared with those recorded in the previous year, showed an increase of Euro 668.8 million. In detail, revenues from Distribution showed growth of Euro 382.6 million, while Production recorded an increase of Euro 266.3 million and revenues from Catering rose by Euro 69.0 million.

The consolidated gross operating margin was up by Euro 69.1 million, with the Distribution, Production and Catering up by Euro 51.0 million, Euro 9.1 million and Euro 9.9 million compared to the previous year, respectively.

Finally, the consolidated operating income was up by Euro 82.5 million, with the Distribution, Catering and Production up by Euro 54.6 million, Euro 21.4 million and Euro 7.4 million, respectively.

Breakdown of revenues from sales and services by geographical area

Comparison between values at 31 December 2021 and at 31 December 2020 (12 months)

Year 2021 - (Euro/000)

	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	1.414.899	63,2	1.292.440	93,6	323.971	89,6	1.515	86,7	3.032.825	76,2
European Union	274.373	12,3	55.333	4,0	9.321	2,6	214	12,2	339.241	8,5
Extra-EU countries	547.872	24,5	33.105	2,4	28.229	7,8	19	1,1	609.225	15,3
Total	2.237.144	100,0	1.380.878	100,0	361.521	100,0	1.748	100,0	3.981.291	100,0

Year 2020 - (Euro/000)

	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	1.325.887	66,3	936.748	92,5	263.255	87,1	1.397	100,0	2.527.287	76,2
European Union	218.505	10,9	38.960	3,8	38.971	12,9	-	-	296.436	8,9
Extra-EU countries	456.318	22,8	36.689	3,7	-	-	-	-	493.007	14,9
Total	2.000.710	100,0	1.012.397	100,0	302.226	100,0	1.397	100,0	3.316.730	100,0

Consolidated Balance Sheet by business sector

As at 31 December 2021 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	35.332	155.064	50.574	27	-	240.997
Tangible assets	735.769	73.449	335.110	80.604	-	1.224.932
Right of use	13.068	72.015	236.856	-	-	321.939
Equity investments and other financial assets	34.188	2.622	4.022	1.138	-	41.970
Total fixed assets	**818.357**	**303.150**	**626.562**	**81.769**	**0**	**1.829.838**
Trade net working capital						
- Trade receivables	315.283	319.510	12.227	6.018	(57.825)	595.213
- Inventories	338.533	199.771	13.378	44	561	552.287
- Trade payables	(288.379)	(332.561)	(90.372)	(11.713)	58.952	(664.073)
Total trade and net working capital	**365.437**	**186.720**	**(64.767)**	**(5.651)**	**1.688**	**483.427**
Other current assets	39.509	31.623	62.253	27.133	(33.783)	126.735
Other current liabilities	(66.748)	(28.592)	(41.023)	(26.978)	32.095	(131.246)
Net working capital	**338.198**	**189.751**	**(43.537)**	**(5.496)**	**0**	**478.916**
Staff Severance Indemnity Provision and other m/l-term provisions	**(51.428)**	**(14.136)**	**(6.277)**	**(4.332)**	**-**	**(76.173)**
Net invested capital	**1.105.127**	**478.765**	**576.748**	**71.941**	**0**	**2.232.581**

As at 31 December 2020 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	40.508	145.160	52.521	45	-	238.234
Tangible assets	676.779	71.608	328.096	81.976	-	1.158.459
Right of use	16.736	51.849	223.968	-	-	292.553
Equity investments and other financial assets	30.054	2.725	5.044	1.094	(1)	38.916
Total fixed assets	**764.077**	**271.342**	**609.629**	**83.115**	**(1)**	**1.728.162**
Trade net working capital						
- Trade receivables	193.121	296.180	21.263	13.348	(20.827)	503.085
- Inventories	310.122	134.532	10.895	1	250	455.800
- Trade payables	(248.806)	(195.534)	(67.368)	(6.838)	18.408	(500.138)
Total trade and net working capital	**254.437**	**235.178**	**(35.210)**	**6.511**	**(2.169)**	**458.747**
Other current assets	30.137	39.989	63.848	24.519	(28.896)	129.597
Other current liabilities	(66.001)	(13.699)	(29.770)	(17.188)	31.067	(95.591)
Net working capital	**218.573**	**261.468**	**(1.132)**	**13.842**	**2**	**492.753**
Staff Severance Indemnity Provision and other m/l-term provisions	**(46.709)**	**(14.640)**	**(13.187)**	**(3.482)**	**-**	**(78.018)**
Net invested capital	**935.941**	**518.170**	**595.310**	**93.475**	**1**	**2.142.897**

Consolidated Net Debt by business sector

As at 31 December 2021 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(243.573)	(103.088)	(154.697)	(6.806)	(508.164)
- due between 1 and 5 years	(308.294)	(119.395)	(70.142)	(32.737)	(530.568)
- due beyond 5 years	(24.476)	(99.936)	(42.477)	(4.108)	(170.997)
Total payables to banks, bonds and other financial institutions	**(576.343)**	**(322.419)**	**(267.316)**	**(43.651)**	**(1.209.729)**
Liquidity					
- cash and cash equivalents	45.951	249.994	24.387	23.159	343.491
- other financial assets	13.064	-	540	-	13.604
Total liquidity	**59.015**	**249.994**	**24.927**	**23.159**	**357.095**
Securitization and internal treasury current accounts	**2.878**	**5.787**	**(20.785)**	**12.120**	**0**
Total net debt before IFRS 16	**(514.450)**	**(66.638)**	**(263.174)**	**(8.372)**	**(852.634)**
Financial liabilities right of use					
- within 12 months	(6.422)	(10.074)	(50.943)	-	(67.439)
- between 1 and 5 years	(7.322)	(33.394)	(182.827)	-	(223.543)
- beyond 5 years	-	(31.324)	(53.187)	-	(84.511)
IFRS 16 effects on net debt	**(13.744)**	**(74.792)**	**(286.957)**	**0**	**(375.493)**
Total net debt	**(528.194)**	**(141.430)**	**(550.131)**	**(8.372)**	**(1.228.127)**

As at 31 December 2020 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(246.251)	(167.468)	(113.549)	(24.132)	(551.400)
- due between 1 and 5 years	(202.637)	(228.455)	(159.934)	(19.979)	(611.005)
- due beyond 5 years	(46.876)	(842)	(49.294)	-	(97.012)
Total payables to banks, bonds and other financial institutions	**(495.764)**	**(396.765)**	**(322.777)**	**(44.111)**	**(1.259.417)**
Liquidity					
- cash and cash equivalents	94.436	251.491	36.693	1.611	384.231
- other financial assets	8.694	626	686	-	10.006
Total liquidity	**103.130**	**252.117**	**37.379**	**1.611**	**394.237**
Securitization and internal treasury current accounts	**2.624**	**5.794**	**2.564**	**(10.982)**	**0**
Total net debt before IFRS 16	**(390.010)**	**(138.854)**	**(282.834)**	**(53.482)**	**(865.180)**
Financial liabilities right of use					
- within 12 months	(5.811)	(8.528)	(41.828)	-	(56.167)
- between 1 and 5 years	(11.387)	(24.030)	(164.028)	-	(199.445)
- beyond 5 years	-	(20.904)	(51.195)	-	(72.099)
IFRS 16 effects on net debt	**(17.198)**	**(53.462)**	**(257.051)**	**0**	**(327.711)**
Total net debt	**(407.208)**	**(192.316)**	**(539.885)**	**(53.482)**	**(1.192.891)**

The operating sectors of the Group

Production

The list of the companies that operate in the Production sector, included in the consolidation area, are shown in the annex attached to this Report.

Breakdown of revenues by activity (Euro/000)	**Year 2021**	**Year 2020**	*Chg. %*
Beef and meat-based products	2.143.290	1.905.188	*12,50*
- intercompany revenues	(24.855)	(21.855)	
Beef and meat-based products - Net total	**2.118.435**	**1.883.333**	
Cured meats and gastronomy/snack food	279.570	244.791	*14,21*
- intercompany revenues	(10.174)	(6.640)	
Net total - Cured meats and gastronomy/snack food	**269.396**	**238.151**	
Total Production	**2.387.831**	**2.121.484**	***12,55***

The Production sector revenues were Euro 2,387.8 million, up by Euro 266.3 million compared to Euro 2,121.5 million in 2020. The gross operating margin increased from Euro 166.2 million to Euro 175.3 million, up by Euro 9.1 million, while operating income increased from Euro 96.7 to Euro 104.1 million, up by Euro 7.4 million.

The beef business

After a first quarter of 2021 during which a general reduction in revenues was recorded as a result of the Covid-19 pandemic, the year under review recorded a rise in revenues and profit margins due to the positive results reported both in Italy and abroad.

In Italy the improvement in revenues was mainly due to a recovery in sales volumes in foodservice and export channels, which had suffered a sharp decline in 2020. The industrial production in the business segment recorded an increase in sales of frozen hamburgers, canned meat and in trading in fine cuts of meat imported from non-EU countries (Australia and America). The resumption of operations in the foodservice business also allowed for an increase in revenues abroad, and, specifically in Russia.

In line with the performance of revenues, profit margins also improved due to the selling prices of meat remaining substantially stable and an increase in the prices of by-products (hides and skins in particular). A positive contribution was also given by the improvements recorded in Africa where the operations which were no longer regarded as profitable were discontinued and by the favourable trend in the currency market, which allowed for the recovery of the large impairment recorded in 2020.

Finally, revenues and profit margins showed a recovery in operations involving the distribution of food products to foodservice abroad, on the part of Inalca Food & Beverage S.r.l. and its subsidiaries. These companies, the operations of which are closely connected with trends in tourist flows, benefited from the resumption of business operations, which had been hit by the impact of the pandemic in a more significant manner.

Cured meats and snacks sector

The reduction in the price of pork raw materials, which gradually occurred during the past financial year, generated strong pressure on selling prices, thus forcing the Company to revise downward the price lists of its products in order to maintain and strengthen both sales volumes and its footprint in large-scale retail trade assortments and foreign markets.

Therefore, a direct comparison of the cured meats segment with the same period in 2020 shows an increase in terms of sales (+10.9%), supported by a more significant growth in terms of volumes (+14.7%). However, the overall growth has showed different trends across the different channels in which the business segment operations are carried out. A less sustained growth in the modern distribution channel has been offset by the strong rise in business volumes of export and with foodservice customers. Unlike recent years, retail sales closed the year with a recovery that exceeded that in large-scale retail trade.

The trends that have been in place for years on the distribution concentration front to the detriment of small independent operators remain unchanged, as does the increasingly widespread trend towards the implementation of private label projects on the part of large distribution groups with the aim of containing the prices offered to the public.

The Snacks division, whose consumption was hit by the effects following the Covid-19 pandemic, is now recovering the sales volumes it had in previous years. The 33.3% growth in sales (+30.8% in volumes) allows for an 8.4% increase compared to 2019 (volumes +9.8%). The Company continues to seek and propose innovative productions to meet the needs of modern distribution, with positive feedback in terms of sales.

Basic raw materials for this division (bread and sauces) showed inflationary trends in the latter part of the year, which, in addition to having generated a reduction in profit margins during the last quarter, are expected to manifest their effects during 2022, too.

Among the significant events that occurred during the year we must note that:

- the reorganization process, including in corporate terms, for the work relating to the marketing of French broutards was started, which saw the completion of Parma France's acquisition of the quotas held by minority shareholders of some of the subsidiaries and their subsequent merger by incorporation;

- Rabobank disbursed a new medium/long-term mortgage loan of Euro 60 million to INALCA S.p.A. on 29 March;

- negotiations were concluded with a major Italian group to establish a joint venture for the production of biomethane. The composting plant operated by subsidiary Sara S.r.l., which is in the process of being reactivated, will be contributed to the joint venture;

- a major foodservice customer awarded INALCA S.p.A. a contract for additional supplies of frozen hamburgers for some northern European countries that are currently not served; these volumes may be transferred during the next financial year to the new Polish plant nearing completion, as soon as slaughtering operations are started;

- there was the acquisition of the residual quotas held by third parties in the Australian subsidiary IF&B Queensland PTY Ltd. and work commenced on concentrating operations in the parent company in Australia;

- on 26 May 2021 INALCA S.p.A. entered into a new medium/long-term mortgage loan agreement for an amount of Euro 60 million with ING Bank, which was used to replenish and reschedule another loan that was already in place with the same institution;

- with effect from 1 July 2021 the business unit of the Mexico-based company dedicated to distribution to the foodservice sector was transferred to a third party, resulting in the divestment of the direct management of activities in that country;

- in August there was the refund of the IRES (Corporate Income) tax credits, including any related interest of Euro 1.3 million, concerning the 2010 fiscal year;

- Società Agricola Corticella S.r.l. reached agreements with the quotaholders of the investee La Torre Società Agricola Cons. a r.l., providing for the the former to acquire control during the next financial year;

- during November, work was completed on the contribution of the Thai subsidiary's operations for distribution to the foodservice sector to a new company in JV with a local partner, which would therefore result in the deconsolidation of these operations;

- the operational procedures for the production start-up scheduled for the first quarter of 2022 were set out with the US shareholder of Italia Alimentari USA Corporation.

The major industrial investments made during 2021 concerned the following projects:

- the construction and upgrading of production systems at the plants of INALCA S.p.A.. In particular, we must note the rendering project intended for the food processing of bovine bones and fat and the acquisition of silos for storage of food flours at Castelvetro plant; the completion of the new automated warehouse for pallets of frozen products, the replacement of natural gas cogeneration plant and expansion of cold storage at Ospedaletto Plant; the completion of the digested sludge drying and leather storage and processing systems at Pegognaga plant; the construction of a new PV and cogeneration plants at Rieti plant;

- work continued on the construction of the slaughterhouse and deboning plant in Sochocin in Poland;

- work continued on the revamping of the present composting plant of subsidiary Sara S.r.l. for the production of biomethane, as well as to the construction of a new PV plant;

- the acquisition of new sheds and plots of lands on the part of subsidiary Società Agricola Corticella S.r.l.;

- work continued on the modernisation of production lines and industrial equipment, as well as on non-routine maintenance at the main production plants at Piacenza and Castelnuovo Rangone factories on the part of subsidiary Fiorani e C. S.p.A.;

- the energy and production efficiency improvement at the plants of subsidiary Realbeef S.r.l., which involved the installation of new PV panels and the completion of the level-1 rendering plant;

- the purchase of plant and machinery aimed at enhancing production and improving productivity in the areas of production and slicing of cured meats at all the production sites of subsidiary Italia Alimentari S.p.A.;

- the construction of new plants intended for the production of high value-added products aimed at increasing the business profitability of Castelfrigo LV S.r.l.;

- upgrading the fleet of refrigerated vehicles, new internal goods handling equipment and electronic office machines of subsidiary Marr Russia LLC.;

- the construction of a new purification plant intended for processing of wastewater at the slaughtering plant in Orenburg (Russia) owned by subsidiary Orenbeef LLC.

Distribution

The list of the companies that operate in the Distribution sector, included in the consolidation area, are shown in the annex attached to this Report.

The Distribution sector showed an increase in revenues in 2021 from Euro 1,073.7 million to Euro 1,456.3 million, up by Euro 382.6 million (+35.6%). The operating margin rose from Euro 39.5 million to Euro 90.5 million, with a growth of Euro 51.0 million (+129.3%). Finally, operating income amounted to Euro 57.7 million, up by Euro 54.6 million compared to Euro 3.1 million in 2020.

Specifically, in terms of revenues, sales in the "Street Market" category (restaurants and hotels not belonging to Groups or Chains) and those in the "National Account" category (operators of Chains and Groups and Canteens) amounted to Euro 1,171.3 million (Euro 850.4 million in 2020), while those to customers in the "Wholesale" category came to Euro 261.3 million compared to Euro 208.3 million in 2020.

According to the findings of the Confcommercio Studies Office ("Congiuntura Confcommercio" issue no. 2, February 2022), the trend in the target market showed a change in consumption (in terms of quantity) for the item "Hotels, meals and out-of-home consumption" by +19.6% in 2021 compared to 2020.

Among the significant events that occurred during the year, it should be noted that:

- on 5 March 2021 MARR S.p.A. announced that it had signed a binding Master Agreement to acquire all the quotas of a newly-established company, which would receive the contribution of any and all operations of Antonio Verrini & Figli S.p.A. ("Verrini"), including those concerning the processing and sale of seafood products, and of Chef S.r.l. ("Chef S.r.l.").
  On 1 April 2021, MARR S.p.A. completed the acquisition of the two companies in the Verrini Group (with total revenues of about Euro 55 million in 2020) following the approval on the part of the Competition Authority.
  Antonio Verrini S.r.l., which was specifically set up for the purpose of the acquisition mentioned above, continues to operate in Liguria and Versilia through its 5 distribution centers and has the dual objective of further developing business in contiguous areas and assisting the MARR Branches in increasing the level of service, on the commodities that characterise it, in favour of Customers. In addition to its expertise in terms of procurement, the company is also able to enhance purchases through its footprint in the retail and wholesale channels, which are key to product segmentation. In addition, its specialisation in the Catering channel, accounting for more than half of Verrini's sales, can create important synergies in the MARR Group's offerings, which are targeted particularly at Street Market customers in the Piedmont, Liguria and Tuscany regions.
  Chef S.r.l. mainly operates with respect to catering customers in the Romagna Riviera, which are served by the distribution center in San Clemente (Rimini), continues to process seafood products for sale both directly and through the structure of the MARR branches operating in neighbouring areas.
  This acquisition transaction is key to the Group's business and confirms the MARR Group's precise intention to consolidate its operations in the area of commodities that are extremely important to Customers and with greater difficulty in management and handling, as well as its ability to increase its market share through synergistic business combinations that are functional to its objectives;

- with effects running from 1 May 2021, the subsidiary Sìfrutta S.r.l., leased its business to the parent company MARR S.p.A. As from said date, the subsidiary's operations have been carried out by the new MARR Branch SìFrutta based in Rimini, at Via Cina no. 4.
  On 24 May 2021 the plan for the merger of the wholly-owned subsidiary Sìfrutta S.r.l. by incorporation into MARR S.p.A. was filed with the Register of Companies; on 27 September 2021, the merger of Sìfrutta S.r.l. by incorporation into MARR S.p.A., which had been approved by a resolution passed by the Board of Directors on 21 July 2021, was finalised by a deed drawn up by Stefania di Mauro, Notary Public in Rimini. The legal effects of the transaction took effect on 30 September 2021, while accounting and tax effects were backdated to 1 January 2021;

- as from 12 April 2021 Marr Catania's new branch became operational, which is a structure designed to improve coverage of eastern Sicily with a consequent increase in the level of service offered in an area with a strong tourism vocation and important growth prospects;

- on 21 July 2021 the Board of Directors approved the issue of the Euro 100 million Senior Unsecured Notes reserved for a US institutional investor (Pricoa Private Capital, a Company in The Prudential Insurance Company of America Group). The term of the bond is 10 years from the date of closing on 29 July 2021;

- on 23 July 2021 the USPP bond, which had been underwritten in July 2013, was early repaid for the remaining amount of USD 33 million;

- on 6 September 2021 the Shareholders' Meeting resolved to distribute a gross dividend of Euro 0.35 with "ex-dividend date" (no. 16) on 18 October, record date on 19 October and payment on 20 October. The total amount of dividends involved in the resolution was Euro 23,283 thousand, of which an amount of Euro 22,085 thousand had already been disbursed as at the date of this Report and an amount of Euro 1,198 thousand is soon to be paid;

- 30 September 2021 saw the early repayment of the Syndicated Loan with BNL and Cassa Depositi e Prestiti, backed by a SACE Guarantee, which had been taken out on 30 December 2020 and disbursed on 7 January 2021 for an amount of Euro 80 million. The early repayment involved a total outlay of Euro 80.134 million, of which an amount of Euro 80 million on account of principal and an amount of Euro 134 thousand on account of interest accrued in the pre-amortisation period, without any payment of penalties;

- on 6 October 2021, the 2020 Sustainability Report was made available in the Sustainability section of the Company's website through the link www.marr.it/sostenibilita/bilancio-di-sostenibilita';

- on 13 December 2021 the sole-quotaholder subsidiary Chef S.r.l. acquired full ownership of the "Chef Sea Food" Business, owned by Chef Sea Food S.r.l. in liquidation, which consists of plants, authorisations, equipment, trademarks, other intangible assets, licenses and permits and includes the temporary use of a property. The price paid for the Business was Euro 350,000. MARR believes that it can ensure a fair and lasting enhancement of the performance of the Business, which has objective development potential, through integration into its sales and distribution organisation.

The major industrial investments made during 2021 concerned the following projects:

- the completion of the executive offices located in the municipal district of Santarcangelo di Romagna, which entered into operation in February 2021 and in relation to which increases mainly concerned "Land and buildings" for Euro 1,087 thousand and "Plant and machinery" for Euro 176 thousand;

- the acquisition of plant and equipment, as well as of industrial and business equipment, for the new MARR Catania branch (approximately Euro 700 thousand), operating from mid-March;

- the sale, in May 2021, involving the property located in Santarcangelo di Romagna, Via dell'Acero 1/A, where the executive offices were previously located.

Catering

The list of the companies that operate in the Catering sector, included in the consolidation area, are shown in the annex attached to this Report.

Breakdown of revenues by activity (Euro/000)	**Year 2021**	**Year 2020**	*Chg. %*
On-board catering	43.431	37.454	*15,96*
- intercompany revenues	-	-	
On-board catering - Net total	**43.431**	**37.454**	***15,96***
Motorway catering	245.168	189.528	*29,36*
- intercompany revenues	-	-	
Motorway catering - Net total	**245.168**	**189.528**	***29,36***
Commercial catering	114.799	107.422	*6,87*
- intercompany revenues	-	-	
Commercial catering - Net total	**114.799**	**107.422**	***6,87***
Total Catering	**403.398**	**334.404**	***20,63***

The Group's business in the Catering Sector, which has been the most affected by the spread of the Covid-19 pandemic, was hit by the adoption of measures to counter the spread of the virus, which lasted until the end of April 2021. The reopening of the catering outlets, first only outdoors and then, from June 1, including indoors, albeit with limits imposed on the number of people per table, has gradually allowed for the business to resume.

After a difficult first half of the year, the gradual resumption of operations allowed for significant growth in revenues and profit margins compared to the previous year. However, these results, while positive, are still far below the pre-pandemic levels of 2019.

Having stated this, the Catering sector showed an increase in revenues from Euro 334.4 million in 2020 to Euro 403.4 million in 2021, up by Euro 69.0 million (+20.6%). The gross operating margin came to Euro 51.1 million, up by Euro 9.9 million compared to Euro 41.2 million in 2020 (+24.0%), while operating income came to Euro -25.9 million, showing an improvement of Euro 21.4 million compared to Euro -47.3 million in the previous year.

Among the significant events that occurred during the year were:

- renovated catering spaces and formats were opened to the public inside the following railway stations, as further evidence of the more than 20-year partnership with Grandi Stazioni Retail:
    - Palermo Central station, with "McDonald's" and "Lavazza" format";
    - Naples Central station, with new McDonald's brand catering outlets and the historic Neapolitan cafeteria "Il Vero Bar del Professore" brand inside the new great Food Hall;
    - Turin Porta Nuova station, with "Harry's Bar" and "La Piadina di Casa Maioli" formats;
    - Florence Santa Maria Novella station, with "McDonald's", "La Piadina di Casa Maioli" formats and the bakery, bar, pastry shop "Panella";
- new catering outlets were opened to the public at the Policlinico A. Gemelli Hospital in Rome, at the newly inaugurated Gemelli Curae centre and at Fiumicino Airport in the arrival area of Terminal T3 with "Panella" format;
- operations were started for running catering services in the Sile Est (TV) Service Station, while selling the Piave Est (TV) Service Station, as well as in the Cinisello Nord Service Station on the Northern Ring Road of Milan and in the Paderno Dugnano (MI) Service Station on the Milan-Meda-Lentate freeway, with "Panella" and "Roadhouse Restaurant" formats;
- new agreements were signed with ANAS S.p.A. and Milano-Serravalle S.p.A., respectively, concerning the operation of catering services in the Magliana Nord (RM) and Castelnuovo Scrivia Est (AL) Service Stations;

- the Company was awarded a tender launched by Aeroporti di Roma S.p.A. for running catering services at Ciampino Airport (RM);

- the publication by Chef Express S.p.A. of the first edition of the Sustainability Report. The document was prepared in line with the UN's Sustainable Development Goals (SDGs), in accordance with the international standards of GRI-Global Reporting Initiative and SASB-Sustainability Accounting Standards Board, and based on the reporting of concession activities of Chef Express S.p.A. in Italy;

- the subsidiary Roadhouse S.p.A., a company specialising in the management of casual dining catering brands, launched, exactly 20 years after the first restaurant opened in Legnano in 2001, a plan of about 40 new outlets by the year 2022 located throughout the country. Since then, there has been an ongoing and widespread expansion, taking the brands to 15 Italian regions; in particular, we must note:

    - the opening of new Roadhouse Restaurant brand restaurants in Merano (BZ), Casalecchio di Reno (BO), Bolzano, Livorno, Peschiera del Garda (VR), Parma, Perugia, Pisa, Lido di Ostia (RM), Bari, Vimodrone (MI), Naples and Fiorano Modenese (MO), in addition to the closure of the outlet in Ascoli Piceno;
    - the opening of a new "Smokery" brand outlet, dedicated to Low&Slow smoked meat specialties with innovative ''all day'' formula in Azzano San Paolo (BG), the 2nd one of the format;
    - the opening of new "Calavera Restaurant" brand outlets, which is a format inspired by Mexican cuisine, in Casalecchio di Reno (BO), Seregno (MB) and at Parco Dora in Turin;
    - new outlets were inaugurated in Merano (BZ), Milan Scalo, Naples, Stezzano (BG) and Rome Testaccio with the new "Billy Tacos", a fast format offering Mexican-inspired street food recipes.

- furthermore, Roadhouse received numerous prestigious awards in 2021. In fact, it was awarded ''Italy's Sign of the Year 2021-22,'' an international award to consumers' most beloved signs where "Roadhouse Restaurant" was the winner in the ''Served Catering'' category. Two other awards were given to Roadhouse as ''Best Sign 2021-22,'' based on the survey promoted by Largo Consumo and conducted by IPSOS: first prize in the ''Served Catering'' category and a special mention as ''Best Store Experience''. And yet, Roadhouse received another award, namely the ''Foodservice Award 2021'' in the ''Meat'' category, at an event organised by the Edifis group, and two particularly significant awards received from the German Institute of Quality and Finance, which included Roadhouse among the ''Top Job - Italy's Best Employers 2021-22'' companies and among the ''Champions of Service 2022". Finally, Food magazine honoured Roadhouse for its achievements in catering during the ''Food Summit 2021'' on the occasion of the 30th anniversary of its founding;

- the subsidiary C&P S.r.l. opened a new outlet with Wagamama format in Parco Commerciale Da Vinci shopping district in Fiumicino (RM) and closed "La Piadina di Casa Maioli" brand catering outlets located at the shopping malls of Romagna Shopping Center (FC), Globo (MB), Le Betulle (VA) and the "Caio" brand outlet at the shopping mall in Vulcano (MI);

- the subsidiary Momentum Ltd. signed the 7-year extension of the contract in place for the operation of services on board Eurostar trains that connect London, Brussels, Paris and Amsterdam, and passenger lounges;

- the subsidiary Railrest S.A. signed the 1-year extension of the contract in place for the operation of services on board Thalys trains that connect Brussels, Paris, Amsterdam and Koln;

- with regard to the English subsidiaries Bagel Nash Limited and Bagel Factory Limited, both operating bagel-themed catering outlets in U.K. and Ireland, the following are noted:
    - new contracts were signed for the opening of new catering outlets inside the Oxford Circus (London), Tooley Street (London) and Ealing Broadway (West London near to Heathrow Airport) subway stations;
    - new contracts were signed for the opening of new catering outlets at Newcastle Shopping Centre (Eldon Square) and a shopping mall in Hull;

- contract extensions were signed for the outlets inside the Waterloo (London), Leeds, Edinburgh and Marylebone (London) railway stations, as well as for the outlets at Spinningfields (Manchester Business District) and The Light Leeds (Leisure Centre in Leeds).

Relationships with unconsolidated subsidiaries, associated, controlling and related companies

With reference to the Group's relationships, in the 2021 financial year, with unconsolidated subsidiaries, associated, controlling and related companies on market conditions, it should be noted that these transactions affected the types of costs and revenues summarised in the following table. Statement of assets and liabilities and income statement data are shown in specific annexes to the notes to the consolidated financial statements relating to each company, broken down by type of relationship.

(Euro/000)	Controlling companies	Subsidiaries	Associated companies	Related companies
Revenues				
Trade income	-	90	22.022	469
Other income	-	-	363	216
Total revenues	**-**	**90**	**22.385**	**685**
Costs				
Trade expense	-	38	33.088	5.999
Other expense	11	-	3	166
Total costs	**11**	**38**	**33.091**	**6.165**
Loans and receivables				
Trade receivables	-	437	3.700	60
Other receivables	-	1.118	6.084	14.196
Total loans and receivables	**-**	**1.555**	**9.784**	**14.256**
Loans and payables				
Trade payables	-	4	436	18
Other payables	2.188	-	650	5.937
Total loans and payables	**2.188**	**4**	**1.086**	**5.955**

As far as relationships with both related and controlling companies are concerned, the breakdown is as follows:

(Euro/000)	Trade		Other		**Total**	
	Receivables	Payables	Receivables	Payables	**Receivables**	**Payables**
Related and controlling companies:						
Cremofin S.r.l. (parent company)	-	-	-	2.188	**-**	**2.188**
Le Cupole S.r.l.	-	-	-	3.537	**-**	**3.537**
Montagna S.p.A.	-	-	14.100	-	**14.100**	**-**
St Corus Ltd	50	-	-	-	**50**	**-**
Verrini Holding S.r.l.	-	-	63	-	**63**	**-**
Verrini Immobiliare S.p.A.	10	18	33	2.400	**43**	**2.418**
Total related and controlling	60	18	14.196	8.125	**14.256**	**8.143**

(Euro/000)	Trade		Other		**Total**	
	Revenues	Costs	Revenues	Costs	**Revenues**	**Costs**
Related and controlling companies:						
Cremofin S.r.l. (parent company)	-	-	-	11	**-**	**11**
Cremofin S.r.l. (parent company)	-	-	84	-	**84**	**-**
Le Cupole S.r.l.	-	-	4	112	**4**	**112**
LLC Soyuz	459	-	-	-	**459**	**-**
St Corus Ltd	-	2.495	-	-	**-**	**2.495**
Verrini Immobiliare S.p.A.	10	3.504	128	54	**138**	**3.558**
Total related and controlling	469	5.999	216	177	**685**	**6.176**

Investments

During the 2021 financial year the total of the net investments made was Euro 154.8 million, in addition to acquisitions for Euro 13.0 million.

Shown below is the schedule of the net change in non-current tangible and intangible assets for the entire 2021 financial year.

Net investments broken down by sector

(Euro/000)	Production	Distribution	Catering	Others	Total
Intangibles					
Patents and intellectual property rights	509	339	356	-	**1.204**
Patents and intellectual property rights	-	-	112	-	**112**
Concessions, licenses, trademarks and similar rights	68	233	261	3	**565**
Intangible assets under development and advances	103	177	176	-	**456**
Other intangible assets	72	-	(62)	-	**10**
Total intangible assets	**752**	**749**	**843**	**3**	**2.347**
Tangibles					
Land and buildings	10.588	919	14.216	804	**26.527**
Plant and machinery	25.899	2.622	3.819	688	**33.028**
Industrial and business equipment	2.458	538	799	-	**3.795**
Other tangible assets	2.396	1.541	5.761	310	**10.008**
Tangible assets under development and advances	58.281	2.735	17.312	-	**78.328**
Total tangible assets	**99.622**	**8.355**	**41.907**	**1.802**	**151.686**
Total	**100.374**	**9.104**	**42.750**	**1.805**	**154.033**

More detailed information on the investments made during the year can be found in the notes to the consolidated financial statements.

Research and development

The main research and development activities, broken-down by sector, were as follows:

Production

Beef Segment

In 2021 INALCA developed the following research areas:

- analysis of possible technologies for the reduction of the microbial load within its semi-processed and finished products based on microbiologicals able to improve shelf life of portioned and packaged for end consumers;
- development of industrial meat hanging systems;
- training and technological transfer on sustainable breeding techniques. On this matter, INALCA has encouraged the preparation of a national plan for the assessment of sustainability in Italian cattle farms;
- identification of innovative industrial processes for the recovery of certain types of waste for reuse in internal processes through physical and enzymatic systems;
- use of organic products for the replacement of chemical preservatives;
- evaluation of possible innovative technological solutions aimed at improving water drain recovery management and performance;
- study of innovative canned meat products;
- development of systems for the production of fertilisers obtained from anaerobic digestion processes of animal waste and by-products.

Cured meats and snack segment

In 2021 the Research and Development activities were carried out in the cured meats segment through the use of internal resources and were mostly focused on different areas of development:

Bacon segment

Following the development of new high-tech processes, the use of artificial flavours has been reduced in the creation of new recipes to be intended for the catering, foodservice and home consumption channels.
Italia Alimentari S.p.A. has also developed new technologies in its production lines in order to increase production capacity, efficiency, standardisation and food safety.

Italian specialties and traditional products segment

In this area, new ranges of product have been developed for the enhancement of raw meat materials from the Italian supply chain, while respecting the tradition of typical charcuterie.
The ongoing supply of domestic standardised raw materials was made possible by the upstream integration of subsidiary Castelfrigo LV S.r.l., which was acquired during the year and is specialised in pork cutting.

New Markets segment

During 2021 work continued which had been commenced in the past years and was targeted above all to the US and Canadian markets. With this in mind, the Company continued, in collaboration with centres of excellence, to develop scientific studies in order to check for full compliance with the strict standards applied in the countries of destination.

Snack segment

Italia Alimentari S.p.A. confirmed its commitment to the formulation of products with high added value in the field of the processing of delicatessen products and the production of references with a high service content, such as buns and sandwiches.
In 2021, new formulations were thus developed for particular categories of consumers, thus expanding the range of products intended for consumers suffering from celiac disease.
New production lines were also implemented to optimise and increase production capacity, and the performance was developed and improved for new high-tech packaging suitable for direct cooking in microwave ovens.

Tools adopted in the Production Sector to support and fund research

- the subsidiary INALCA S.p.A. participates in the EIT Food platform through the University of Bologna, which is an aggregation point for food excellence within the EU and constitutes an important community instrument for access to EU funds for research in the food sector, granted by EIT - European Institute of Innovation and Technology (https://www.eitfood.eu/);
- as to research in the area of sustainability, INALCA S.p.A. is the beneficiary of the So.Fi.A. (Sustainability in the Food Farming Chain) project within the scope of the national strategic development plan named "National Technology Cluster" for sustainability (*MIUR* – Ministry of Education, University and Research - Decree no. 257/RIC dated 30 May 2012). This is an instrument for the promotion of industrial projects focused on sustainability in Italy. This project aims to create production plants in the sector for waste recovery and production of energy from renewable sources;
- through the financing programme under Ministerial Decree of 8 February 2016 for contracts in a project for the promotion of chains of supply for 100% Italian cattle in Southern Italy, INALCA is in the process of creating livestock raising facilities in Sicily for the management of a 100% Italian beef cattle chain;
- furthermore, INALCA has started activities in order to benefit from the new tax credit for Industry 4.0.

Distribution

The activity to develop and expand the product lines of its own brand continues.

Catering

In 2021 Chef Express S.p.A. carried out R&D activities aimed at improving the methods of purchasing and delivering products and services to customers.
Specifically, the Company has developed and is gradually implementing a system of kiosks and pick-up points at its Points of sale. This system allows the process of ordering and delivering products and services to be monitored in a precise manner, as well as the measurement of the time needed for both ordering and delivering and the simultaneous feedback of the level of customer satisfaction.
The Company has also embarked on a project path in order to reduce business complexity, eliminate low value-added activities (duplication, organisational redundancy, etc.), optimise the organisational model, simplify and streamline information flows and data management, support future business growth and strengthen its market position.
This project involves the study and analysis of the current organisational processes in order to define criticality and arrange appropriate solutions to improve the efficiency of the Company.

Events occurring after the end of the 2021 financial year

The following events occurred after the financial year-end:

Production

In early 2022 the global economy scenario showed a deterioration from what was expected in the last months of 2021. This occurred both in relation with the rapid spread of Covid-19 with its Omicron variant, and in relation to the increase in the prices of energy products and supply problems with specific products or raw materials that had affected large segments of industry, in addition to a general increase in the level of inflation.

To these elements must be then added the effect of the armed conflict between Russia and Ukraine with its implications both from a humanitarian point of view and on the side of economy. In fact, this conflict has entailed a further increase in the price of energy products and difficulties in the procurement of some raw materials, as well as the effects of the economic sanctions launched against Russia, which is a country where the INALCA Group operates by running breeding, slaughtering and food distribution businesses. However, it should be noted that these operations are completely segregated from the INALCA Group's other operations, and at present the local market situation is still under control - despite the suspension of on-site activities operated by some multinational customers - although potentially shrinking due to the expected medium- to long-term effects of the sanctions. INALCA is monitoring the development of the situation on a daily basis in order to promptly adapt its operational structure to changes in the local market.

Distribution

In March MARR signed a binding master agreement to acquire all the quotas of a newly-established company, Frigor Carni S.r.l., which received the contribution of all the activities of Frigor Carni S.a.s., except for the property that will be operated under a lease agreement. The company, which is located in Montepaone Lido (Catanzaro), operates in the sale and distribution of food products to the foodservice sector.

Frigor Carni, which was founded by the Viscomi family more than 40 years ago, is a leading operator in Calabria, particularly in the Ionian area with a strong vocation for tourism, with sales of over Euro 13 million in 2021 (approximately Euro 16 million in 2019, before the outbreak of the pandemic), about 800 customers served and 15 vehicles for deliveries. The company’s business proposition is characterised by a significant share gained in the offering of seafood products, mainly targeted at customers operating in the independent catering sector.

In this manner, MARR, which already operates in the area from its MARR Calabria branch in Spezzano Albanese (Cosenza), through the distribution business unit of Frigor Carni, located in Montepaone Lido, goes on to strengthen its presence in the area, thus being able to raise the level of customer service and the offering of local products.

The transaction, the closing of which is expected on 1 April 2022, provides for an evaluation of Euro 4.8 million (including tangible assets) with partly deferred payments, in addition to an earn-out subject to the achievement of specific targets in 2023 and 2024. Furthermore, the management staff of Frigor Carni was confirmed in the persons of Messrs. Viscomi, who will be entrusted with the operational and business management of the newly established company.

The acquisition of Frigor Carni confirms the role of MARR's Market aggregator, which continues to strengthen its leadership through both organic growth and targeted acquisitions aimed at increasing service specialisation.

Catering

In the Catering sector we must note:

- renovated "McDonald's" brand catering outlets and formats were opened to the public at the Rome Termini railway station and operations were started for running catering services in the Muggiano Est (MI) Service Station;
- the subsidiary Roadhouse S.p.A. opened a new "Roadhouse Restaurant" brand restaurant in Vicenza, thus bringing to 167 the number of the outlets opened by the chain in Italy and new "Billy Tacos" brand outlets in Capriate (BG), Vicenza, Piacenza, Milan at Santa Giulia business district, Orio al Serio (BG), Busnago (MB) and Treviso (TV) the 26th one of the chain, in addition to 14 "Calavera Restaurants" and 3 "Smokery" outlets;
- a new outlet with "Wagamama" format was opened at the Food Court of the Bicocca Village (MI) and contracts were signed for the opening of new "Wagamama" brand outlets at the Valmontone shopping mall (Rome) and in Casalecchio di Reno (BO);
- on 28 March 2022 Sparkasse signed a new medium/long-term loan agreement for an amount of Euro 10 million in favour of Chef Express S.p.A.;
- on 7 April 2022 Roadhouse signed a new 5-year medium/long-term loan agreement with Banca San Felice 1893 for an amount of Euro 3.5 million.

Business Outlook

Production

In general, the performance of sales in the first months of the new year continued to show an upward trend that had been already underway at the end of the previous year, linked both to higher volumes and to a gradual rise in selling prices needed to cope with the increase in the cost of production factors, with specific regard to the price of animals and energy.
In particular, increases in costs had an impact on the beef and cold cuts production and sale, the profitability of which, although still adequate, began to show some decline.
With specific regard to operations in Russia, a significant deterioration is expected as a consequence of both the more macroeconomic issues, such as the depreciation of the Rouble and the impact on the domestic economy arising from the economic retaliation measures adopted by third countries following the outbreak of the conflict with Ukraine, and above all of the suspension of operations at the sales outlets of McDonald's, which is the major customer of Marr Russia, an event that could have a significant impact on production activities in the absence of new customers capable of absorbing the existing production capacity in full.

On the other hand, rising oil prices are favouring the business activities in Africa, the results of which continue to show signs of growth with an impact on both sales and profitability.

As regards Inalca Food & Beverage S.r.l., although the effects of the resurgence of the Covid-19 pandemic are particularly affecting the operations in the Far East (China and Hong Kong), there is evidence of a gradual improvement as a whole, as a result of both the effects of Covid-19 disappearing in those countries that were heavily hit by the pandemic during the previous year, and the divestment or otherwise exit from the scope of consolidation of some areas, following the restructuring of the business completed in the previous year.

Distribution

After the pandemic resurgence in December 2021 and January 2022, with a gradual improvement in health conditions in February, out-of-home food consumption once again confirmed its responsiveness by resuming the path of rapprochement to the pre-pandemic historical series.
Against this backdrop, the MARR Group's sales in the first two months of 2022, up compared to 2021, showed a decline in January and a subsequent realignment in February in comparison with pre-pandemic levels in 2019.
However, the foodservice market is impacted by inflationary trends that affect most of the commodities sold by MARR across the board, to which must be added rising energy costs (exacerbated by current international tensions), which are making their effects felt on product preservation and distribution activities. In the face of this, management's level of attention remains strong in maintaining a high level of customer service while keeping operating costs under tight control.
Expectations for out-of-home food consumption are for a normalisation of consumption dynamics from the start of the upcoming summer season, which MARR is going to cope with proximity to the Customer and a presence in the Market, which have been further strengthened since the beginning of the pandemic.
In this segment, it should be borne in mind, moreover, that MARR has organisational and distribution facilities throughout Italy, and therefore it is capable of providing the requisite level of service to all its customers and in all areas of business in which food is consumed away from home, including those related to public and healthcare services such as hospitals and care homes.
In relying on its well-established leadership and its distribution network, MARR continues to focus its efforts on adapting organisational measures and service operation that are appreciated by its Customers, who can devote their expertise more effectively to identifying areas for future development with the support of this distribution system.

The Company is also very attentive to the management of trade receivables and operating costs, which have always included a high proportion of variable costs as far as MARR is concerned, with the objective to ensure continuity in the quality, products and service offered to the Market, in order to contribute, where possible, to alleviating the temporary difficulties of its Customers and allow MARR to be ready to return to full activity as soon as the present uncertainties are resolved.

Catering

The full resumption of operations, combined with the Company's ability to seize all the opportunities offered by the market, which was already demonstrated at the time of the reopening that took place during the second half of 2021, have raised hopes about gaining new customers and increasing shares in the target markets; however, there remain some difficulties in the travel business segments, especially for activities at airports and railway stations, the full recovery of which is expected during 2022.

However, the management is continuing with its stringent policy to reduce operating costs, which has been put in place since the outbreak of the pandemic in order to safeguard profitability. Moreover, the trends in revenues showed a recovery in the second half of 2021, thus witnessing to the ability of the Company to seize all the opportunities that will be offered by the overcoming of the pandemic crisis.
However, we will have to take into consideration the effects that may be caused to household consumption due to recent international events that have led to a considerable increase in the cost of energy and fuel in particular.
In the complex scenario that has been already described above, the Company has continued to focus its efforts on adapting organisational measures and service operation to the changed market conditions and finding any possible solution to try to limit the adverse impact on present and future profitability. The Company has also

been very attentive to the management of operating costs, with a cost saving policy which was implemented immediately from the beginning of crisis.

Atypical and/or unusual transactions

There were no atypical and/or unusual transactions during the course of the year that, for materiality, nature of the counterparties, object of the transaction, method of determination of the transfer price and their occurrence in proximity to the year-end can raise doubts as to the correctness and completeness of these financial statements, conflict of interest, safeguarding of corporate assets.

Reconciliation between the Parent Company's shareholders' equity values and the profit for the year with the corresponding consolidated values

A reconciliation schedule between the shareholders' equity values of the Parent Company and the profit for the year with the Group's share of the corresponding consolidated values at 31 December 2021 is given in the explanatory notes to the annual report.

Main risks and uncertainties

The Group Companies are exposed to financial risks in the conduct of their business, such as those described in more detail in the explanatory notes and where these mean: market risk (being the combination of the currency risk for foreign purchases of goods, interest rate and price risks), credit and liquidity risks.

Furthermore, consider that the Group Companies, though operating in the food sector that is characterised by a substantial stability, suffers from the general conditions of the economy and is therefore exposed, even though to a lower extent compared to other sectors, to the uncertainties of the current macroeconomic climate.
As already described in the reports for previous financial years, 2020 was again characterised by volatility in the financial markets and difficulty in access to credit, other than a consumption contraction; this has led the management to maintain high attention to the dynamics of credit management and cost curbing policies to preserve the commercial margin.

As far as concerns the evolution of the Group's financial position, this depends on numerous conditions amongst which are, other than achievement of set targets in terms of commercial working capital management, the trend of the banking and monetary markets that are also influenced by the current economic situation.

As far as concerns the specific risks and uncertainties of the Cremonini and Group business, please refer to the paragraph "Provisions for non-current risks and charges" in the Explanatory Notes.

Anti-corruption policy

The main Group companies have adopted their own Codes of Ethics in the framework of their anti-corruption policy. The professional practices and conduct by which all employees and other persons working with the Group must abide are laid down in this document.
Furthermore, the types of risk to which the Group is exposed (predicate offences) are detailed in the specific Organisational Models 231/2001 of each company.
The Group Companies have put in place a series of preventive procedures against corruption risks associated with the approval and qualification of suppliers and the management of product nonconformity.
In view of the various types of business the companies conduct, one of the main areas in which the risk of corruption could materialise is participation in public tenders.
Here, if a criminal offence is committed by a director and/or representative of a company, the result may be that the company is banned, under Article 80 of Legislative Decree no. 50/2016 (Public Contracts Code), from taking part in any public tender.

Corruption risk is considered to be recurrent because it arises in the ordinary course of business. Impacts may be reputational or financial (disqualification from the public tender sector with the loss of the revenues from this sales channel).

The aim of the Code of Ethics is to assure an increasingly high degree of corporate governance transparency and efficiency: it contains the rules of conduct and principles of legality, transparency and honesty to apply to the Group Companies' internal and external relations. The Companies themselves see that the Code of Ethics is made known to their stakeholders and to new employees at the time of their engagement. The control bodies audit the compliance with and the adequacy of the Code annually.
A whistleblowing system is in place with a special email address which can be consulted exclusively by the Supervisory Board.

Human resources

The Cremonini Group is aware that its collaborators make up an important resource for the company in order to achieve the success and future of the same company. This is why it pays a large amount of attention to the well-being of all collaborators, to the development of training programmes attentive to individual needs and to fostering a positive corporate climate able to arouse a sense of belonging and commitment to meeting common business objectives.
A total of 13,242 people work in the countries where the Group operates. The majority are in the European Union (82.0%), followed by Russia (8.6%) and Africa (2.4%). The headcount in 2020 was instead 13,458 collaborators.
The breakdown of the organizational structure based on professional designation was 154 executives, 235 middle managers, 2,479 office staff and 10,374 workers or seasonal workers.
In addition to its employees, the Group also uses a large number of salespeople and a network of haulage contractors that collaborate with agency and service agreements.
During the year, sector-based refresher and training courses were held and they also regarded the fields of environmental safety, languages, computers and occupational safety. Despite the uncertainty arising from the macroeconomic scenario, the Group in no case whatsoever reduced its headcount and actually increased it. Please note the agreements with the university or secondary schools as well, which offered students traineeships that in some cases turn into employment.

Furthermore, among the Group's policies for respecting and appreciating its human resources are:

Production

During the year work continued, albeit with the restrictions and according to the methods allowed by the pandemic emergency, on projects for refresher and ongoing training courses reserved for employees, as diversified according to the needs and the sector they belong to.
Please note, in addition to agreements with the university and secondary schools, the close collaboration with local employment centres, i.e. the set of sources required to procure resources to be intended for traineeships that in some cases turn into employment.

Distribution

MARR is convinced of the importance of Human Resources for the development of the Company: adequately trained, valued, motivated employees involved in the spirit of the Company are the prerequisite for the achievement of the business objectives.
Human Resource Management is focused on the well-being of the individual and on a path of professional growth guided by the criterion of merit and aimed at developing aptitudes while taking into account the professional aspirations of each collaborator. Decisions about the assignment of positions or roles of greater responsibility are made on the basis of each employee's professional profile and actual competence and ability to contribute to the achievement of individual and company objectives.
In October 2019, MARR adopted a Human Resource Management Policy, in which it pursues the goal of valuing its Employees and Collaborators according to these principles:

- impartiality

- absence of discrimination
- merit (principle of fairness)

The Company promotes personnel management aimed at preventing any discrimination that may originate from the gender, ethnic group, religious faith, marital status, sexual orientation, age, disability, and political beliefs of its Employees.
The basis on which MARR has built this Policy is respect for human rights provided for in the Code of Ethics, which is included in the Organisational Model among some of the offences it covers (e.g., exploitation of labour or the crime of racism and xenophobia).
There have been no cases of discriminatory incidents within MARR and the Group.

Recruitment and selection

In 2021, 15 new graduates (people who did not have any professional experience unless gained during their studies) were recruited from the Universities of Bologna (Bologna campus, Rimini, Forlì, Cesena), Cattolica of Milan, and San Marino-Parma (an Agreement was signed between the two Universities) and 4 curricular internships were activated with students from the University of Bologna, Bocconi University of Milan, and Milan Polytechnic.
An agreement has been signed with the University of Bologna, which allows MARR to post announcements of open positions in the company and consult resumes on the dedicated portal (Job Placement - Alma Mater Studiorum - University of Bologna).

Training of staff and collaborators

Training in MARR constitutes a fundamental value and a continuous and constant path. The Company ensures access to adequate refresher and professional development courses for its Employees and Collaborators, which include: training in occupational safety; training for specific tasks (safety, prevention, emergency management, etc.); training in food safety; professional/commercial training.

MARR Academy

In 2021 too, MARR made considerable investments in Personnel training through the MARR Academy, a “company laboratory" created to support the professional development of the Group Employees and Collaborators, enhancing their technical and soft skills through both traditional in-person and online training sessions.
Specifically, the main training focuses implemented involved various profiles in the Sales Organisation, embracing numerous thematic areas.
In particular, training meetings were held, which were dedicated to Branch Managers and Sales Management, with the aim of refining the operational application of the new "phygital" model of MARR, aimed at strengthening relations with the Customer, through a balanced combination of "physical" approach and "digital" tools.
In addition, a product training plan dedicated to newly hired Sales Engineers was developed to transfer the main elements of knowledge of the MARR range, in terms of offering, features and advantages in a complete and effective way.
In the last months of the year, a training programme was launched, which was focused on Local Specialists, which are key staff who operate at the Branches in local areas in support of the Sales Organisation in the sales management of the various product classes. Several insights were shared during the meetings, including procurement criteria, product range, brand policy and commercial approach.
Classroom product training was complemented by more experiential educational sessions with guided tastings, in which the MARR Academy’s Team Chef presented recent developments, explaining their characteristics, origins, traceability, yields, cooking and methods of use.
Local Credit Managers and Branch Operations Managers also participated in specific training activities to address and learn more about topics of interest: from time management to the approach to credit management, in the former case; from managing areas of responsibility to food safety, in the latter case.
Furthermore, the online course for training in the Organisational Model (principles and offences under Legislative Decree no. 231/2001) and the Code of Ethics is delivered to the Heads of Function and Branch Managers through the MARR Academy.

In 2021 MARR integrated and gave further impetus to training through the e-learning mode on the MARR Academy platform (16 new courses were activated, with 200 persons enrolled, and over 750 hours used for e-learning).

Professional growth

The Company is aware that there is a need for the recruitment of new Resources who have gained professional experience in different business entities, in order to further enrich the organisation and bring contributions of ideas and innovation. Nevertheless, MARR considers it very important to offer the Resources already working in the Company the opportunity to express their potential and materialise a professional growth that leads to increase the satisfaction and motivation of the person on the one hand, and, on the other, the contribution that the person can provide to the Company.
For this reason, it activated the "Let's take care of our future" programme in 2019, as a concrete opportunity to value Employees and Collaborators, in order to strengthen motivation and sense of belonging and identify Resources with the potential and background (scholastic and professional) that would enable them to take on greater and greater responsibilities, also with the help of personal growth paths.
In 2021, a total of 6 sessions of the course were held, some in the spring and some in the autumn, lasting 9 hours each, in which a total of 92 people were involved, 60 of whom belonged to the Sales Organisation and 32 employees working at the Headquarters Entities, local Distribution Units or the subsidiary New Catering. There was a greater involvement of colleagues working at the Headquarters Entities, as well as from New Catering, compared to previous years.

Internal communication

Persons are also involved in the achievement of business objectives through internal communications, which are sent to all heads of functions and Branch managers so that they can share them with their collaborators, including by displaying them on the company boards that are to be found in all MARR offices.
In addition, MARR edits and circulates a house organ (InforMARR) available to all Employees and Collaborators, as an opportunity to be involved in the Company's objectives, actions, activities, projects and results.
With the aim of stimulating participation, developing an increasingly strong sense of belonging, and strengthening motivation and sharing, periodic meetings are also held, such as for example:
- meetings with Commercial Management (Commercial Meetings), which involve Branch managers, Sales managers and some heads of the Headquarters Function;
- "MARR Vision 5.0" meetings, which are intended to be a path to involvement, discussion, direction and managerial growth and involve the relevant Branch Managers and the heads of Headquarters functions;
- Commercial convention involves all members of the Sales Organisation and some Heads of Headquarters Functions. The next one has been rescheduled for May 2022;
- special theme-based meetings attended by the Human Resources concerned according to subject.

Corporate welfare

MARR has taken steps to implement the provisions laid down in the relevant collective bargaining on corporate welfare.

Parental leave

During 2021, 6 women took advantage of the right to maternity leave, which was still applicable as at the date of these Financial Statements. During 2020, the right was used by 2 women, who then returned to service in the following 12 months.
In general, when faced with requests from employees in the period after maternity leave to reschedule their working hours, organisational solutions are carefully checked in order to accommodate them.
In the period from 2016 to 2021, the Company received twenty-four requests for part-time working from female employees, in some cases for family reasons, in others relating to the period after maternity leave, and managed to create the necessary organisational conditions to accommodate the request in 87% of cases.

Benefits

The Company does not provide specific benefits in addition to what is provided for in the Contract Welfare set out in the applicable National Collective Labour Agreement. The supplementary healthcare fund (Eastern Fund) is reserved for employees under permanent employment contracts. MARR grants its employees the opportunity to purchase products in the assortment at a discount for personal and family use.

Industrial relations

MARR gives the right to elect their representatives in the manner prescribed by law and the National Collective Labour Agreement, with the assurance that these representatives are not subject to any type of discrimination and that they are free to communicate with workers in their workplaces.
MARR meets the Trade Unions on a periodical basis during each year in order to exchange relevant information concerning the Company's business.
Trade Unions are allowed to put up messages in the appropriate company spaces. MARR puts meeting places at the disposal of workers and their representatives for the conduct of union activities and grants time off for these activities. Union representatives are free to perform their functions as laid down in the National Collective Labour Agreement
MARR maintains relations with local Trade Unions in order to also share attention to occupational safety issues. On an annual basis, a safety meeting is held in which the company doctor, the Prevention and Protection Service Manager and the Workers' Safety Representatives participate in addition to the Company managers.
With the Trade Unions of the province of Rimini, MARR has undertaken to provide information to the workers concerned and their representatives with a prior notice of 30 days in the event of outsourcing of departments or services.

Protection of diversity and equal opportunities

Since the beginning of the recruitment and selection process, as well as during the relationship with its Collaborators, personnel management is conducted in such a way as to ensure gender equality and is based on equal opportunities.

Remuneration system

MARR pursues the right of equal pay for equal work and results and pays remuneration observing the minimum wage prescribed in collective labour agreements.
Compensation policy is based on the responsibility assigned, professional skills and competencies, and performance appraisal so as to recognise the results that are achieved.
For Resources with managerial responsibilities or who hold roles of direct and specific support for the achievement of the main company objectives, MARR has adopted a variable incentive system linked to MBO (Management By Objectives), through which it assigns objectives, both individual and corporate, on an annual basis and mainly quantitative in nature.
The incentive payment is determined in correspondence with the level of achievement of the objectives, after periodic checks and final accounting.

Catering

In 2021, online training sessions were delivered, including by using specific IT platforms, while on-the-job training work was suspended in accordance with the law as a result of the restrictions imposed in order to contain and fight the spread of the Covid-19 pandemic in the workplace.
Chef Express S.p.A., which has always been active in training and human resource management, made arrangements for two training projects in 2021 and in early 2022:

- the first one, which was targeted at all outlet management staff, provides for a training course with the aim of putting corporate values into practice through acquired managerial behaviours and skills, and consists of several training workshops alternated with e-learning training clips. It starts with a snapshot of one's strengths and weaknesses in management operations and involves the use of the sports metaphor, in particular through the parallelism between Manager and Captain, both of whom are considered to be key positions in guiding the strategy of their teams. The project, which was started in January 2022, will

continue until March 2023;
- the second one involves 300 outlet operators in e-learning training to deepen their knowledge of certain issues and soft skills that are valid for everyday life. It will be complemented by a counselling desk (an active listening space that places the operator at the centre of a programme to support and develop potential talent).

The Company maintains labour relations both nationally and locally with the most representative unions at national level and have entered into some second-level contracts prepared in compliance with the current Inter-confederal agreements.

In 2021 the Company made use of wage-support schemes and other urgent measures laid down under Decree Law no. 18 of 17 March 2020 and the subsequent rules of law in order to cope with the Covid-19 epidemic emergency, including the recourse to the Supplementary Wage Fund (SWF), guaranteeing anticipated payments of wage subsidies.

Health and Occupational Safety

The Group considers the safeguarding of its employees' psycho-physical integrity to be a primary objective and therefore undertakes to provide workplaces that are as healthy and safe as possible and comply with current health and safety regulations, at the same time encouraging all those who work with the Group to take a responsible approach to safety.

The risks to which the workers of the Company and the Group are exposed in going about their duties are identifiable as: i) work-related stress; ii) risks from noise, vibrations, chemicals, explosive atmospheres and microclimate; (iii) risks from handling loads manually and repetitive movements; and iv) risk of working with display screen equipment.

After careful consideration, the managements of the various Group Companies have drawn up their own specific assessments of worker safety risks and given the heads of the areas concerned authority to act on their behalf, with the aim of making them aware of their responsibilities in the field of safety.

Given the complexity of the Group, reference should be made to the specific detailed policies provided in the financial statements of the subsidiaries.

Environment, Quality and Sustainable Development

In the perspective of safeguarding and respecting the environment, the Group has always been careful about the activities its companies carry out with reference to both its production processes and the optimization of the resources available, with a constant commitment to reduce water and energy consumption and the production of solid and liquid waste.

Production

In 2021, the Company strengthened the system for collecting indicators and data concerning its sustainability report and extended the reporting scope, in addition to having carried out a review of its stakeholder engagement and materiality analysis processes.

As explained in detail in the Sustainability Report, to which we refer for a more in-depth analysis, INALCA has strengthened its sustainable development operations based on the following four guidelines:
1) sharing of sustainability values and principles with the world of agriculture;
2) creation of an integrated production chain in line with the principles and practices of sustainable production;
3) systematic monitoring of environmental impacts and consumptions;
4) creation of internal sustainability governance instruments.

During 2021 there was the publication of the 2020 edition of the INALCA S.p.A. Sustainability Report, which was prepared in accordance with the GRI Standards guidelines, and is available at the following link: https://www.INALCA.it/it/bilancio-di-sostenibilita/. Furthermore, the 2020 edition of the report was certified by Deloitte & Touche S.p.A..
During 2021 INALCA carried out a sustainability rating with CERVED, thus obtaining ESGe Rating "B" and ESGe Rating Score of 58.2.

Economic sustainability – the value generated and distributed by the company

Economic value generated and distributed (EVG&D) is for INALCA S.p.A. the main indicator of the value that the company has created for its stakeholders. In the food industry, because of the low value added in production processes and the high incidence of raw materials and personnel in the company's income statement, the value transferred outside the company is particularly considerable. On the basis of this indicator, recognized in the GRI Standards, INALCA's business can be considered to be highly economically sustainable, as the value distributed outside is particularly high. Based on current data, the distributed economic value is stable compared to the previous year, corresponding to 94.3% of the total value generated by INALCA.

Social sustainability – Transparency and clarity towards consumers – Safety, quality and health management tools.

In the area of social sustainability, the pillars on which INALCA's actions are developed consist of the pursuit of the utmost transparency in consumer communication and food safety of its food production. For this purpose, INALCA S.p.A. adopts extensively on its production facilities voluntary technical standards applicable to food safety, environmental protection, workplace safety and health, disclosures to customers and consumers, which are activities that are carried out in a single integrated management system. INALCA S.p.A. adopts the following voluntary technical standards: standard ISO 45001:2018 on occupational health and safety, IFS Food 7 (International Food Standard) on food safety (Food Safety and Food Security), standard ISO 9001:2015 on quality management and standard ISO 14001:2015 on environmental management system. The adoption of voluntary technical standards constitutes a key management tool which the company has built in a number of years of experience, is implemented with dedicated IT tools and is applied, in an integrated manner, at all production plants.
To these must be added the Company Organisational Model prepared pursuant to Law no. 231/2001 in the field of administrative liability of businesses and the abovementioned sustainability report compliant with the GRI standard.
INALCA has developed a comprehensive system of internal procedures for managing the information provided for consumers both in the forms of food product labelling and marketing activities and corporate communications. The system seeks to ensure that messages are clear, transparent and truthful and to substantiate some voluntary certifications in support of specific product claims. In this case too, the combination of internal procedures and voluntary certifications confirmed by third parties ensures a systematic statutory technical check of labels, in addition to high reliability towards customers and consumers about the truthfulness of the contents of corporate information. The main instrument for the management and control of the optional information provided to consumers is the voluntary specification for the optional labelling of meat under Regulation (EU) No. 1760/2000 and related domestic regulations. In 2021 the rules were further strengthened and applied to a number of sales outlets of the Large-scale Retail Trade network belonging to brands that are customers of INALCA. It is a partnership that enables product communication by the customer on beef, especially regarding Private Labels, in addition to supporting the development of a fully Italian beef supply chain. The contents of the voluntary information conveyed by the technical specifications on the label include the qualitative features of meat in terms of breed and breeding method, animal welfare and the prudent use of antibiotics, are matters of increasing importance for stakeholders and consumers. The specification for the optional labelling of meat constitutes a competitive advantage and allows INALCA to adopt, and have its customers adopt, important commercial claims. During 2021, in building on its experience in cattle, the company also developed a certified supply chain in the pork meat sector, focusing on good breeding practices, a prudent use of drugs and improved animal welfare. The fact of relying on parallel and equivalent certification systems for both livestock supply chains increases INALCA's competitiveness against industrial customers and the Large-scale Retail Trade since it allows the development of integrated communication and marketing projects. During 2021, a feasibility project was launched to develop an "Open Source" IT platform based on blockchain criteria in order to strengthen B2B and B2C communication activities

and data integration along the supply chain.

Production and energy efficiency

INALCA further strengthened the amount of energy it produces from renewable sources by adding additional PV plants for further 0.5 MW in 2021. This output must be added to that already produced by INALCA through its own network of renewable energy plants, structured on various technologies, having a total capacity of more than 10 MW: the network consists of biogas production plants from anaerobic digestion, endothermic combustion of biomass and PV systems. In the sector of biogas production from anaerobic digestion, in addition to the system situated at the Ospedaletto Lodigiano (LO) factory, the plants operate at Pegognaga (MN) and Spilamberto (MO), managed by the subsidiary Soc. Agr. Corticella S. r. l.; the first two are supplied by non-food slaughtering scrap, while the third prevalently by livestock waste.
To these must be added the plant of Società Agricola Marchesina S.r.l. in Rosate Milanese and of La Torre Società Agricola Cons. a r.l. in Isola della Scala (Verona), the latter companies not being consolidated since they are associates.
INALCA also has a biomass plant which produces energy from fat at Pegognaga (Mantua) through the investee UNITEA S.r.l..

To the PV plants that concern the production sites of INALCA S.p.A. at Capo d'Orlando (Messina), Fiorani & C. S.p.A. in Piacenza and Azienda Agricola Marchesina mentioned above, must be added the new installations in 2021 at INALCA S.p.A.'s plants in Ospedaletto Lodigiano (Lodi), Rieti, Stienta (Rovigo), the headquarters of Tecnostar Due S.r.l. in Spilamberto (Modena), Realbeef S.r.l. plant in Flumeri (Avellino), Fiorani & C S.p.A. plant in Castelnuovo Rangone (Modena), Italia Alimentari S.p.A. plant in Gazoldo degli Ippoliti (Mantua). In addition to the production of energy from renewable sources, the Group operates in the energy efficiency sector through industrial cogeneration adopted at 4 of the Group's factories.

Energy and climate

INALCA's energy infrastructures are an absolute "Smart grid", an integrated combination of natural gas and biomass cogeneration and biomass and PV plants. It is a network of infrastructures which allows INALCA to self-generate more than 90% of the energy it requires, about 50% of which from renewable sources. In terms of its contribution to the fight against climate change INALCA's energy system allowed savings of about 60,000 tons in emissions of Carbon Dioxide during the reporting year.
Thanks to approval of the framework agreement by the Ministry of Agricultural Food Production and Forestry Policies pursuant to arts. 10 and 11 of Legislative Decree no. 102 of 27 May 2005 regarding the construction of agro-energy chains, INALCA is able to obtain the maximum value out of the present incentive systems in the field of production of energy from renewable sources.
Consistently with the current transition from the public system of incentives for the production of electricity to biogas, INALCA has entered into a Joint Venture agreement with Herambiente for the production of biomethane and has started preliminary work on a plan to convert its anaerobic digestion plants to this new type of energy production for the sustainable mobility of its transport fleets.
Preliminary feasibility assessments and scenario assumptions on incentives were carried out during 2021; INALCA has also extended the reporting scope of its carbon footprint and has planned for 2022 full group reporting at the "Scope 3" level. The result of this analysis will form the baseline for setting its own climate-altering emissions reduction objectives on its supply chain.

Water resources

Another intervention area where INALCA concentrated its resources is water consumption. INALCA has optimized the complete cycle of purification and recovery of wastewater using biological systems in its production plants. The efficiency indicators of the water cycle are carefully monitored in the environmental management system.
INALCA has for some time pursued objectives of improvement of the water resource management, both on the consumption reduction front and an increase in the recovery and reutilisation index.
INALCA does not use surface water in its factories, but groundwater, whose quality is more reliable. Over 90% of the water supply is furthermore directly managed by INALCA, both for the phase of drawdown from the aquifer and the distribution, treatment, usage and purification phases. It is an integrated cycle that can be

overseen and monitored constantly, ensuring efficient water resource management.
INALCA 's main factories are equipped with modern high-performance purification plants.
Furthermore, for the plants at Castelvetro di Modena and Ospedaletto Lodigiano, some time ago INALCA started to set itself more restrictive water discharge limits than those laid down in the environmental permits.
INALCA recovers purified process water where allowable under the regulations for the sector. During 2021 INALCA recovered over 92,000 cubic meters per year.

Waste production

As regards waste management, INALCA has now been sending more than 99% of its waste to recovery and recycling systems for a long time, instead of disposing of it normally. In this sector the Group, through its subsidiary Sara S.r.l., has completed the upgrade and increase of productivity of its composting plant in compliance with the latest environmental regulations for the sector, thereby raising the quality of the compost produced, which is reused in farming in accordance with circular economy principles.
In addition to composting, the objective of waste reduction is pursued through use of the anaerobic digestion systems that allow substantial reductions of production of organic waste, while providing energy and raw materials for the production of fertilisers.
The anaerobic digestion plant network, which is located in a central position with respect to other production plants in Central Northern Italy, allows a high efficiency of the internal system of transportation of waste and by-products, the limitation of the number of transports and the simultaneous improvement in the transport saturation index.
INALCA has also developed a plan to improve the sustainability of the packaging, and in particular:
- to reduce the grammage of packaging;
- to use recycled raw materials in the composition of packing used;
- end users recycle them better.

On the basis of these activities, in 2021 INALCA used packaging consisting of recycled raw materials: over 90% for paper packaging, 40% plastic and 56% aluminium, with about 6,500 tons of raw materials totally saved, showing an increase compared to the previous year.
In 2021 INALCA completed, ahead of schedule, the process of complying with the new regulations on environmental product labelling regarding proper disposal of packaging.

Distribution

As regards the environment, MARR follows a "Control and Management of Environmental Issues" Quality System which describes the methods for managing the operations and activities related to environmental issues that are identified as being of significance, including the oversight and management of environmental emergencies.

MARR also fosters pollution prevention and the limitation of the utilisation of available resources by taking preventive measures. There are no operating sites in or near protected areas or areas of high biodiversity value in the company's perimeter.
Projects in the four most significant environmental sectors for MARR are as follows:
- packaging and waste management;
- logistics impact and efficiency improvement;
- electricity and fuel consumption and emissions;
- water consumption.

Packaging and waste management

The MARR Group's business is fundamentally based on the distribution and handling of goods: for this reason, packaging is a material topic for MARR, which aims to reduce it by optimising processes for its management, moving towards packaging materials that have a lower environmental impact, facilitating their disposal and encouraging the use of certified cellulose packaging and materials from responsibly managed sources, or with increasing percentages of raw materials from recycling.
When purchasing third-party branded packaging, its characteristics are also defined with regard to increasing

sustainability by promoting the use of recycled and recyclable materials.
Secondary packaging, including MARR-branded cartons, and packaging of the products sold are selected so that separation, sorting and disposal of components are facilitated. Secondary packaging used by MARR meets the requirements prescribed by the relevant technical standards for environmental compliance. Those for transportation use marked with the "MARR FOR THE ENVIRONMENT" logo are made of 100% by weight recycled material.
Cardboard packaging which, due to type of performance and strength, cannot be made of 100% recycled fiber is FSC MIX certified and is marked with the relevant logo. Packaging marked with the FSC logo is made from raw materials from responsibly managed forests under strict environmental, social and economic standards.
MARR has made additions to the information on disposal reported on cartons for transport in line with the information required by Legislative Decree 116/2020 on packaging and related waste, the entry into force of which has been postponed to 1 January 2023.

MARR's attention to the issue of packaging also manifests itself on the Customer's side, and for years one of the Group's objectives has been precisely to implement solutions to reduce the clutter caused by packaging and, as a result, encourage the reduction of waste on the part of the Customer.
As a company that mainly distributes foodstuffs, MARR has a key role in fighting against food waste and encourages supply chain synergies by trying to prevent waste both upstream, by rationalising orders to suppliers, and downstream, by adopting solutions to avoid as much as possible that Customers in turn take on this problem.
In particular, MARR's efforts are expressed through:

- offering products with innovative packaging that offer a high service content and meet the Customer's needs;
- guaranteeing frequent deliveries to the Customer thanks to an efficient logistics network.

In addition, the assembly of Customer orders is carried out by minimising the use of secondary packaging to the bare minimum necessary to ensure product protection and preservation requirements. Different sizes of packaging are used in repackaging, which are appropriate to the quantities and sizes/weights of the products they are to contain.

The incidence percentages of the various types of materials are mostly constant over the three-year period; small deviations in incidence percentages are attributable to variability in the composition of the sales mix.
The overall reduction in packaging compared to previous years is mainly attributable to the closure of the Carnemilia division, a platform for processing and storing fresh meat, the operations of which were discontinued in May 2020. In addition, there was a further decline in cardboard packaging in 2021 due to the outsourcing of purchasing of packaging materials for some types of meat.
Since early 2022, expanded polystyrene boxes for the delivery of fresh seafood have been added to alternative materials to polystyrene in some distribution centers: these innovative packages are composed of cardboard and coated with a plastic film that makes them waterproof.
The characteristics of polystyrene alternative packaging are:

- 100% recyclable with PAPER;
- made from renewable and FSC-certified raw material;
- waterproof;
- easier to dispose of than Styrofoam (smaller footprint and paper/cardboard waste sorting).

Environmental labelling on proprietary branded products

As from 2019, MARR has chosen to include the environmental labelling to facilitate packaging disposal and recovery operations on a voluntary basis in all branded products and has requested compliance from all relevant suppliers, prior to the entry into force of Legislative Decree no. 116 of 3 September 2020.
MARR's graphics for the environment report the minimum mandatory wording suggested by CONAI (National Packaging Consortium) and some additional optional information to encourage users to carry out waste sorting and recycling.

MARR for the environment

- table summary graphic guiding Customers on packaging disposal;
- the words "Follow your Municipality's guidelines for waste sorting management";

- Mobius cycle logo for recyclability, where applicable;
- "do not dispose of in the environment" logo;
- FSC mark (where possible, if paper/cardboard is present in the packaging);
- "100% RECYCLED CARDBOARD" logo (where possible);
- any other logos that identify the type of material used (e.g., "ok compost" for compostable packaging).

Environmental labelling on digital media

With the aim of contributing to the protection of the environment and in compliance with Legislative Decree 116/2020, MARR has created a web page where it has made available information on the materials used in the packaging and packing of products prepared at its own distribution centers and those imported from third-party countries, accompanied by an indication of the composition and methods of disposal.
This is in order to facilitate the disposal and recovery on the part of operators even for those packages where it is not possible to affix the recycling seals and the information required by the Decree directly on the packaging material, such as plastic films for sealing trays, vacuum bags or shellfish nets.

Waste

Proper waste management must consider some issues such as its persistence in the environment according to its type, the increase in quantities as the volume of goods bought and sold increases, the heterogeneity of materials and the possible presence of hazardous substances. For this reason, prevention in waste production must be accompanied by waste sorting and recovery of materials that can be exploited.
In order to pursue the objective of increasing the percentage of recovered and reusable waste, MARR launched a pilot project in 2021 in a test area, represented by an Operating Unit where a considerable part of waste is concentrated and where the waste is more diversified as the Operating Unit itself is composed of a sales outlet open to the public, a processing room, a distribution center specialising in fruit and vegetables, one in fresh seafood, and in addition it also concentrates some offices and warehouses. The project also provides for a waste management system coordinated by software through an APP and a web portal, certified with blockchain system to ensure data validity. This software allows real-time monitoring of the waste to be disposed of and extracts reports on the types of waste and related tons collected day by day.
Again during 2021, work commenced on a circular economy project concerning the exploitation of expanded polystyrene (ESP), of which the boxes used for the distribution and handling of fresh fish are made. This is one of the most impactful waste categories in MARR's operations due to the volumes handled and its preferential use in the seafood sector. Currently, expanded polystyrene is mainly destined for disposal and is classified as non-recoverable waste. MARR is applying a new management that allows expanded polystyrene to be regenerated in order to be returned to the production cycle by ceasing to be classified as waste (end of waste).
For this purpose, the project involves the processing of expanded polystyrene by means of a pressing and compacting machine that makes it possible to obtain a 100% recycled, recyclable and reusable semi-finished product for the production of new manufactured goods (e.g., in the construction, installation and packaging sectors), thus assuming the status of a second raw material.
Once the testing phase of the project is completed, MARR will consider whether to extend this mode of operation to other Distribution Units or to identify alternative or complementary methods.
The two pilot tests started in 2021 testify to MARR's commitment to continuous efficiency improvement in waste management, enabling:
- real-time monitoring of waste so that its reporting and disposal can be carried out effectively and quickly;
- a strengthening of its strategy of gradual transition to circular economy in the areas where it is applicable;
- the selection of cutting-edge suppliers who can meet MARR's articulated needs with innovative, high-performance technologies and highly customised operational management.

Logistics impact and efficiency improvement

The optimisation of transport logistics is an activity that the Group pays constant attention to; logistics management, to be understood as the process of planning, implementing and controlling an efficient and

effective flow and storage of products, including related services and information, from the point of origin to the point of consumption, is a key issue to the MARR Group's business.
In its business of transporting goods to Customers, MARR relies on an average of about 170 third-party trucking companies, employing about 800 vehicles, and thus the majority of emissions linked to the freight service fall within the "Scope 3" emissions. This category includes emission sources that are not under direct control of the Company, but whose emissions are indirectly due to its business activities.
For MARR, the improvement of the efficiency of logistics means contributing to the economic sustainability of the business and concretely reducing its environmental impact. Attention to this issue assumes strategic value for the Group and to this end the best solutions have been implemented and are evaluated on an ongoing basis. In order to pursue this objective, MARR has already for some years adopted two systems integrated into the Company's operational process, which constitute two support tools in the logistics area:

1. ROOTS TRACKING: a system for monitoring vehicles from the moment of departure from the Distribution Units until delivery, which makes it possible to know in real time the position of the vehicle and to notify the Customer in case of any delays. This system also makes it possible to monitor the temperature in the refrigerated compartments on board the vehicles so as to ensure the control of the cold chain.
2. TRANSPORT MANAGEMENT SYSTEM (TMS): a system for trip planning, i.e., routing software structured in such a way as to define the optimal "delivery route" for each vehicle.

They were joined in 2021 by the Central Demand Planning (CDP), a new department within the Logistics Function, which aims to gradually improve the specialisation of its organisation in order to maximise the level of service to Customers. CDP is responsible for the procurement and reordering activities of all commodities (excluding fresh meat and fresh seafood). The service is active on some Platforms and Operating Units with the aim of extending it to all Branches.

Electricity and fuel consumption and emissions

Over the years, MARR has planned energy upgrading activities at the various Group facilities and has put in place several energy consumption efficiency improvement measures, mainly in the processes of goods storage, warehousing and handling that represent the Group's core logistics business.
In addition, it has implemented awareness-raising activities targeted at employees and operators in order to reduce electricity waste in offices and warehouses to zero.
The new executive headquarters for office use in Santarcangelo di Romagna is equipped with:
- PV panels;
- rainwater collection system to provide supplies to sanitary facilities;
- roof garden and green roofs;
- advanced thermal insulation and air conditioning technologies, in addition to electrical systems and home automation applied in order to achieve the optimisation of energy consumption.

The new Distribution Unit in Catania is equipped with:
- PV panels (not yet operational in 2021);
- F-Gas-Free refrigeration systems, powered by propane gas and CO_2;
- thermal insulation systems and technological devices to limit dispersions and thus electricity consumption.

Water management

With reference to water management, it should be noted that its use can be divided into four different types of consumption: toilets, washing in working environments, processing departments and cooling systems where condensation is obtained through evaporative condensers.
While in the first three cases, water from municipal aqueducts is required to be used, due to the need to guarantee the supply of drinkable water for the purposes of health certifications, artesian wells are also used, where present, in the case of cooling by means of evaporative condensers.

In order to limit the consumption of water resources with a view to essential consumption, a monitoring system has been set up with objective checks, which is aimed at containing consumption, optimising resources and reducing waste, even in the event of breakdowns of both pipelines and systems.

The frequency of the survey has been determined on the basis of the level of criticality of each individual user.
According to its plan to improve water management, MARR has invested in monitoring and controlling the quality of discharge water by laboratory tests to verify their compliance with the provisions of Legislative Decree 152/2006 and has rationalised the consumption of detergents and disinfectants that have a direct impact on the drains, scrupulously observing the methods of use and concentrations indicated in sanitisation procedures. In addition, it has started awareness-raising activities targeting employees and operators in order to reduce drinking water waste to zero.

Catering

Chef Express S.p.A. and other Group companies operating in the Catering Sector follow a constant policy of maintaining its workers' awareness of energy saving in order to foster the values of respect for the environment and the safeguarding of water and energy resources.
The aforesaid companies abide by the provisions of law governing the disposal of special waste as regards environmental issues.

During the year Chef Express S.p.A. and subsidiary Roadhouse S.p.A. continued to install PV plants on most of their premises, which will meet a part of the energy requirements.

The Group companies operating in the Catering Sector also endeavour to use recyclable or biodegradable materials, to recycle waste and to use organic foodstuffs and/or foodstuffs coming from fair trade markets, compatibly with the products contained in the recipes used in the catering industry.
Some Outlets are equipped with special recycling banks dedicated to waste sorting thanks to the support provided by specialist partners in order to improve their performance in this field. Therefore, customers also play an active part in improving waste sorting by means of these installations.
This project is also accompanied by the installation of special waste-compactors, which are designed to promote the proper collection of PET bottles for food use so that they can be sent for recycling, through a virtuous circle, for the production of recycled PET (rPET) suitable for food contact.
The next steps in this course provide for the exploitation of organic waste (ECW 200108) from the point of view of circular economy, such as the recovery of coffee grounds to generate new materials or the recovery of orange peels for the production of yarn to be used in the textile industry, through the collaboration with a specialist partner. As from the last months of 2021, analyses of the waste management process were also started with Italian universities.

Work also continued on the campaign to reduce and eliminate food waste by adopting practices focused on upstream reduction of any possible waste generated from catering services.
This action is intended to contribute to the principles of reducing and preventing waste production, as well as avoiding the generation of food waste. Below are some examples of improvement actions already applied:

- avoiding orders for high amounts where they are not necessary;
- applying operational management (first-in first-out) in the preservation of food products and checking expiry dates periodically;
- carrying out a precise long-term analysis of references sold;
- preventing losses in preparing food by delivering ongoing training to employees;
- carrying out appraisals of supplies, including on the basis of the protection characteristics of the packaging in order to minimise the generation of food waste;
- raising Customers' awareness about food waste and its causes through the implementation of dedicated communication campaigns.

In the agrifood sector, and more precisely in the catering sector, the reduction of waste is imperative both with regard to environmental issues and merely for operational requirements. For some time now, Chef Express S.p.A. has established and continues work on special partnerships with entities operating throughout the country (first of all Banco Alimentare, the Italian Food Bank Network) through which specific projects have been put in place in order to support needy families. In this case too, new partnerships with dedicated platforms are being considered for the implementation of specific projects with a view to continuous improvement.

Chef Express S.p.A. has adopted a HACCP (Hazard Analysis and Critical Control Points) system and a Quality

Management System complying with the regulations in force and also operates in compliance with the following International Voluntary Certification Schemes:

- UNI EN ISO 9001:2015 for the design and implementation of a Quality Management System;
- UNI EN ISO 22000:2005 for the design and implementation of a Food Safety Management System;
- UNI EN ISO 14001:2015 for the implementation of an Environmental Management System;
- ISO 50001:2018 for the implementation of an Energy Management System;
- UNI EN ISO 22005:2008 for the implementation of a Traceability System in agri-food supply chains;
- UNI EN ISO 45001:2018 aimed at improving working conditions and allowing the definition of a standard that can be audited by Certifying Bodies;
- SA8000:2014 Corporate Social Responsibility aimed at creating a mechanism to protect and improve working conditions;
- Technical Document (Service Charter) for Compliance with Standards at airports.

In adopting its own dedicated strategy, Chef Express S.p.A. aims in fact to use sustainability as a key factor necessary to face the change that is already in progress, as well as to meet the expectations and needs of all stakeholders and, finally, to increase competitiveness and profitability in the long term.

The sustainability path which Chef Express S.p.A. has embarked on aims at systematising the projects put in place and reporting the results achieved by preparing and publishing its own Sustainability Report. This document also allows the reporting of the results in terms of operations, social and environmental issues generated by the Company in conducting its business, as well as their dissemination to a wide audience consisting of all stakeholders. The Sustainability Report then constitutes for Chef Express an appropriate tool in order to acknowledge the Company's ability to design and implement strategies capable of responding to stakeholder expectations and, finally, it may be used as a moment of strategic planning and reporting for the near future.

Health and Safety

During 2021, the subsidiary INALCA conducted over 140,000 internal analytical tests in its laboratory, accredited under ISO 17025:2017, to which must be added further external analyses involving breeding control and other types of suppliers. In addition to Italian and European regulations, the INALCA food safety management system also adopts the methods and controls referred to in other regulations, such as the global FAO food safety standard (Codex Alimentarius), or regulations in force in other parts of the world, such as in the USA, Canada and Japan. This allows INALCA to bring its food safety management system into line with specific regulations applicable in the numerous countries in which it distributes its products.
An innovative device for a heat-based meat hygiene control, which is capable of further increasing the level of safety of production of particularly sensitive products such as minced meat or products to be eaten raw, i.e. "ready to eat", is also in full operation at the Ospedaletto Lodigiano plant. During 2021 INALCA also developed additional innovative solutions concerning the control over production hygiene.

Life Cycle of Products and Environmental Disclosure

In order to disclose actual impacts and consumption of its production chain to consumers, INALCA has maintained its present EPD (Environmental Product Declaration) regarding the Montana-branded frozen hamburgers and canned meat (S-P-00711 - Montana Frozen Hamburger (environdec.com) - S-P-01293 - Montana Canned beef meat (environdec.com). The EPD© system is one of the most qualified objective technical references verified by third parties for providing clear and truthful information on the actual impacts and consumption of the food products. This tool enables INALCA to work out a method of communication on environment and sustainability issues that differentiates its certified products in a more effective manner.

INALCA has also developed stable relations in the major international platforms operating in the sustainability of the beef sector.
Through these research consortia, INALCA plans to acquire updated and scientifically sound information to

improve the sustainability of its supply chain in all the markets in which the INALCA Group operates.

Food Health and Safety

The many dietary emergencies and growing concern with personal health and wellbeing have drawn attention to the fact that the safety and quality of the products sold by the Group are fundamentally important aspects. The Group's activity cannot be limited to making and distributing foodstuffs, nor can it be considered in purely economic terms of profit and earnings: it is also a question of ethics and duties which guide Group companies in performing their work taking up clear-cut safety and quality policies. Food safety must not be seen purely as the observance of a prerequisite for a product which confirms that it is fit for consumption, but as part of a broader, more modern vision involving many additional factors, such as origin, traceability, the exclusion of organisms or substances deemed to be suspect and proper information for the consumer through labelling or other means of communication.
The risk factors with a potential effect on the community and the consumer are mainly product hygiene and safety. These vary according to commodity category but, in substance, are represented by contaminants that may be found in a food accidentally as a result of manufacturing processes or contamination of the environment. Contaminating substances may be divided into two types: those from natural and those from man-made sources.
The manifestation of one of the above risk factors may lead to reputational damage for the companies and a loss of trust on the part of consumers with an adverse impact on the Group's profits.

The Group companies have included the analysis of the dangers and risks attached to various commodity categories in the steps in their production and distribution processes in order to ensure food safety as well as in the manufacturing processes that take place in their own operating units. Analysis of dangers and risk assessment are conducted on the basis of the experience of the HACCP (Hazard Analysis and Critical Control Points) Team, a multidisciplinary group of people with specific know-how and competences and the authority necessary to intervene in corporate processes. Risk assessment is conducted according to HACCP criteria, setting down particular procedures for the control of critical points.

Risk factor analysis has always been conducted on the basis of the information gathered regarding the products processed and distributed; product characteristics and origin are considered in particular, as are the relevant domestic and EU regulations.

Supply chain

The Group buys products from a large number of suppliers all over the world in order to provide its customers with a complete range of food products and equipment.
The Group companies have decided to take measures to ensure increasingly careful and purposeful oversight of compliance not only with the law but with MARR's principles on the part of the entire supply chain.
Hence suppliers are subjected to painstaking scrutiny to ensure that they observe the safety and quality requirements that products must satisfy, both those under their exclusive brand names and those under third party brand names.

Production

INALCA's supply chain is wide and well structured, varying according to the type of product and geographical area of production. The acceptance of the code of ethics and the code of business conduct on the part of INALCA's suppliers is a prerequisite to establish the relationship. They constitute the guidelines for the control of suppliers with regard to respect for human rights, the environment and compliance with labour laws.

Suppliers of cattle in Italy - Breeding farms and agricultural practices

Italy has always been characterised by cattle breeding, which is carried out mainly in barns. In fact, our country does not have large pastures, but the Po Valley land is among the most fertile in the world, capable of

producing food of high nutritional value. More of 60% of the national cattle population is concentrated in this region, which is the area where the main production plants of INALCA are located.
The cattle breeding farms that are part of INALCA's Supply Chain mainly come from this fertile land, and they are basically of two types: dairy cattle breeding (cows) and beef cattle breeding (bullocks, heifers, calves). Dairy cattle is bred entirely in barns and INALCA can rely on more than 18,000 Italian farms in this chain. In order to pursue its relevant policies, INALCA avails itself of the contribution given by the agricultural organisations that operate directly in this wide and fragmented channel.
These agreements have taken the form of the "Sustainable breeding" project, which has been developed in partnership with Coldiretti, the Italian Farmers' Association, and constitutes the main tool for the integration in terms of production between the milk supply chain (to which these farms directly refer) and the meat supply chain.
In beef cattle breeding farms, the animal is raised on pasture until weaning and then in barns. INALCA can rely on about 500 controlled farms in this chain, including farms owned by the Company under agistment agreements and by third parties, all of which are subject to direct control on the part of INALCA for issues concerning safety, quality and sustainability, with company technical staff on site to supervise every aspect and phase. For INALCA this channel constitutes a direct supply chain without intermediaries, covering, on average, more than 30% of its requirements.

Suppliers of cattle in the Russian Federation

Major breeding operations have been started as part of an integrated and sustainable local supply chain in the Russian Federation. Cattle are supplied exclusively through local suppliers. In 2018, production operations were started for the INALCA Group's first breeding farm in Russia.

Meat suppliers

INALCA is a global operator in the food sector and its meat suppliers are selected from every continent and country that are suitable for the export of this product. Our meat suppliers have various geographical origins and provide products with different quality characteristics depending on the type of animals and the farming systems that are used. Various categories of producers can be identified:

- for the production of meat intended for industrial processing, such as, for example, canned meat produced in Italy, INALCA makes use of its own slaughtering facilities, as well as of other local small-sized plants in order to exploit the national beef supply chain used in a typical Italian product, such as jellied meat;
- for the production of frozen hamburgers and cuts of meat intended for domestic and foreign markets, INALCA uses raw materials from Italian farms, which are produced directly at its own domestic plants, as well as meat obtained from other Italian and EU suppliers. Solid and well-established relationships have been maintained with these suppliers over time, which have allowed for a gradual integration and alignment of voluntary certification systems in terms of quality and food safety in line with INALCA's evaluation and approval systems;
- for fine cuts of meat intended for the Ho.Re.Ca. channel, INALCA imports the material from various non-EU countries; these are products obtained from animals of Anglo-Saxon origin in terms of genetics, such as the well-known Angus and Hereford breeds, which are imported fresh. These are high quality cuts that are mainly targeted at specialist catering, the typical example of which is the US T-Bone steak, which is produced in the major US plants concentrated in the state of Nebraska. To these are added the famous Argentine, Australian and Uruguayan meats with both Grass-Fed (literally "grass-fed" is the breeding system that allows cattle to remain on the pasture for their entire life cycle) and Grain-Fed lines. In this case INALCA carries out distribution activities on an exclusive basis. The control of this type of supplier focuses not only on food safety, but also on a wider procurement system aimed at setting quality parameters and ethical and social commitments, from breeding in feedlots, to processing and labelling procedures at suppliers' plants, up to checks during the phase of final sale. In addition to control, INALCA's operations support overseas suppliers in bringing quality standards into line with the specific regulatory requirements of the countries to which the products are destined;
- as far as the pork meat sector is concerned, in Italy the Group gives preference to national suppliers of fresh meat that meet the PGI (Protected Geographical Indication) and PDO (Protected Designation of Origin) requirements for the production of high quality charcuterie, mainly intended for the domestic

market. On the other hand, Italian and EU origin meats are used in the case of other pork products intended for EU or non-EU commercial circuits, such as bacon. In the pork meat sector too, INALCA has planned investments in dedicated plants for greater industrial efficiency and production integration into the supply chain.

Packaging suppliers

INALCA uses various types of packaging, among which the most important are plastic, paper, cardboard intended for the packaging of fresh and frozen meats; tinplate and aluminium are instead used for canned meats. In this field the INALCA Group makes use of more than 70 suppliers in Italy. The criterion applied to select packaging suppliers is based on 3 principles:

- technical expertise;
- ability to provide assistance and technological innovation;
- long-established experience with large industrial groups.

In order to deliver their services, packaging suppliers must register their details on the new INALCA portal to enter the technical data and information required for the validation process, concerning the supplier itself and each individual category of material it delivers to each Group plant.
Packaging is an integral part of the product and is responsible for its protection. Small defects in plastic or metal materials can in fact reduce this level of protection and compromise the safety of the product: for this reason, it is essential for the packaging to be checked systematically, both upon receipt and during use. The correct packaging process always entails a combination with a dedicated technology; checking the suitability and integrity of the materials is therefore not sufficient and the control must be extended to the packaging technologies and systems that must be perfectly adapted to the materials that have been purchased for this purpose.

Suppliers of food ingredients

INALCA uses various types of ingredients in addition to meat. For this purpose, in Italy it makes use of more than 150 suppliers of food ingredients, such as flavourings, vegetables, cereal flours. In this case, in addition to selecting ingredients from local suppliers, which can be easily recognised by the consumer, the selection criterion is based on the expertise of the firm concerned, the food safety management system, the absence of allergens, the presence of certified standards, the technical characteristics of the substances that are used. All suppliers of ingredients are systematically subjected to preliminary approval, while those of particular importance are also involved in periodic inspections on the part of INALCA's technicians; furthermore, all suppliers are subject to continuous monitoring of products carried out on each delivery. In order to improve the collection of information, suppliers of food ingredients must also use the dedicated portal of INALCA, which is shared between the purchasing department and the quality department, where all the information required for supplier approval and evaluation must be uploaded.
The company policy on the selection of providers of supplies has a clear focus on domestic procurement. INALCA, in fact, prefers local suppliers, which are located in the areas surrounding its production plants.
This has allowed the Company to have an increasingly integrated supply chain over the years, as well as a well-established relationship of loyalty with its historical suppliers. About 60% of providers of supplies are located between Emilia Romagna and Lombardy regions where the two main and historical plants of the group are located. The proximity between INALCA and its suppliers at a local level allows the sharing of best practices and technological innovation for manufacturing and supply chain improvement on an ongoing basis.

Distribution

Product suppliers belonging to MARR's procurement chain and service providers are selected, evaluated and approved in the manner and in accordance with criteria laid down in the relative Quality System procedures, in accordance with ISO 9001. The Company has decided to put measures in hand whose aim is to ensure increasingly accurate oversight of compliance on the part of the entire supply chain not only with the law but with its own principles.

The "Supplier Evaluation and Approval" procedure in MARR's Quality System requires the Company to check suppliers' system and product certifications, including certification SA 8000 regarding Social Responsibility.

Supplier performance is appraised periodically in order to verify that the required quality and service standards are maintained. A number of elements are considered in this appraisal, including the results of close testing inspections of the products acquired, evidence of the accuracy and regularity of deliveries and Customers' complaints and goods returns for which the supplier is to blame. During the period of supply, products that have been bought are inspected at reception and when processed and/or stored in MARR factories and platforms. Inspections at reception are conducted by competent personnel who have been trained in applying testing instructions and special control plans for carrying out these inspections. The main checks include:

1) Visual control to verify the state of preservation, packaging of the product and the hygienic conditions of the vehicle;
2) labelling checks on packaged products to verify the information required by Regulation (EU) No 1169/2011;
3) Temperature control on perishable, frozen and deep-frozen products; the reference temperatures and the limits of acceptability are set out in special self-control instructions;
4) Control of conformity to order requirements and compliance of accompanying documents;
5) Analytical, microbiological and chemical controls on the basis of specific sampling plans for each type of product.

For a thorough supplier appraisal, any complaints by suppliers and/or goods returned by Customers are examined to comprehend the reasons for non-conformity and determine the responsibility for it.
"Supplier Evaluation Questionnaire" data, supply non-conformities and complaints by Customers are used in drawing up the "List of MARR Approved Suppliers", which is updated periodically. Any suppliers that are not given an entirely favourable rating are asked by MARR to take steps and corrective action in order to remedy the shortcomings that have been found. If a serious issue arises during the supply relationship, the competent functions take immediate action with respect to the supplier (letters of complaint, audits at production facilities, sampling and analytic tests of products and even the suspension of purchases) in order to remove the problems that have arisen and ensure product conformity.

Catering

Similarly to other Sectors, the issue of guidelines to assess supplies, including on the basis of sustainability indicators and criteria, is expected in the Group's Catering Sector too.
The main objective is to reduce the environmental impact of the products, as well as the use of disposable items mainly made of plastic and to replace them with corresponding items but with non-plastic or more sustainable packaging.
The companies operating in the Catering Sector will continue their work to strengthen partnerships in innovative and wide-ranging projects as it already occurs with the major partners with which the Group has been working for years in order to strengthen the virtuous circle it has established.

Data protection and Cyber Risk

In compliance with Regulation (EU) 679/2016 (General Data Protection Regulation - "GDPR") as transposed into the Italian legal system under Legislative Decree 101 of 10 August 2018, the Group has adopted a policy for the management of sensitive information and data, following the appropriate procedures for minimising the risk of breaching privacy and data protection as required by the current regulations.

The Parent Company Cremonini S.p.A.

Shown below are the summarised results of the Parent Company prepared in conformity with the IAS/IFRS International Accounting Standards.

Income statement of the Parent Company Cremonini S.p.A.

(Euro/000)	**Year 2021**	Year 2020	Chg. %
Total revenues	**8.148**	**7.749**	*5,15*
Changes in inventories of work in progress, semi-finished and finished goods	-	-	
Value of production	**8.148**	**7.749**	*5,15*
Cost of production	(4.401)	(4.376)	
Value added	**3.747**	**3.373**	**11,09**
Personnel costs	(4.033)	(2.608)	
Gross operating margin [(a)]	**(286)**	**765**	*n.a.*
Amortization, depreciation and write-downs	(3.085)	(3.135)	
Operating income [(b)]	**(3.371)**	**(2.370)**	*42,24*
Net financial income (charges)	(369)	(410)	
Profit from ordinary activities	**(3.740)**	**(2.780)**	**34,53**
Net income (charges) from investments	31.363	(778)	
Net extraordinary financial income (charges)	-	-	
Result before taxes	**27.623**	**(3.558)**	**n.a.**
Income taxes for the financial year	455	578	
Net profit	**28.078**	**(2.980)**	**n.a.**

Balance Sheet of the Parent Company Cremonini S.p.A.

(Euro/000)	**Year 2021**	Year 2020	*Chg. %*
Intangible assets	11	18	
Tangible assets	81.395	82.676	
Equity investments and other financial assets	263.329	258.616	
Total fixed assets	**344.735**	**341.310**	*1,00*
Trade net working capital			
- Trade receivables	4.502	3.142	
- Inventories	-	-	
- Trade payables	(9.736)	(4.652)	
Total trade net working capital	**(5.234)**	**(1.510)**	
Other current assets	18.746	25.958	
Other current liabilities	(18.298)	(17.542)	
Net working capital	**(4.786)**	**6.906**	*n.a.*
Staff Severance Indemnity Provision and other m/l term provisions	**(4.359)**	**(4.316)**	
Net invested capital	**335.590**	**343.900**	*(2,42)*
Total Shareholders' Equity	**321.587**	**293.403**	*9,61*
Net medium/long-term debt	36.844	19.979	
Net short-term debt	(22.841)	30.518	
Net debt	**14.003**	**50.497**	*(72,27)*
Net equity and net debt	**335.590**	**343.900**	*(2,42)*

a – EBITDA (Gross operating margin) is an economic indicator not defined in the International Accounting Principles and the IFRS. EBITDA is the measurement used by the company's management to monitor and evaluate its operations. The management retains that EBITDA is an important indicator for measuring the Group performance as it is not affected by the volatile nature of the effects of the various criteria of calculating taxable income, the amount and characteristics of the invested capital as well as the relative depreciation criteria. At present, subject to a later in-depth study regarding the evolution of the IFRS accounting practices, EBITDA is defined by the Cremonini Group as the Profit/Loss gross of the depreciation or amortization of tangible and intangible assets, allocations and write-downs, financial expenses and income and income taxes.
b – The operating profit (EBIT) is defined by the Cremonini Group as the Profit/Loss for the year gross of financial charges and income, non-recurring items and income taxes.

Net debt of the Parent Company Cremonini S.p.A. [c]

(Euro/000)	**Year 2021**	Year 2020
Payables to banks, bonds and other financial institutions		
- due within 12 months	(4.487)	(12.854)
- due between 1 and 5 years	(32.737)	(19.979)
- due beyond 5 years	(4.107)	-
Total payables to banks, bonds and other financial institutions	**(41.331)**	**(32.833)**
Liquidity		
- cash and cash equivalents	23.157	1.610
- other financial assets	-	-
Total liquidity	**23.157**	**1.610**
Securitization and internal treasury current accounts	**4.171**	**(19.274)**
Total net debt	**(14.003)**	**(50.497)**

Property services

Cremonini S.p.A. directly manages both property units that are destined for civil use and property destined for specific activities in the Catering Sector.

Direct services

The transactions and services rendered, carried out mainly in relation to Group companies, generally concern the following operational areas:

Finance: management of the centralized treasury and planning of structured and medium to long-term loans;

Guarantees and advisory services: issuing of guarantees (bank and insurance) and general assistance concerning accounting, corporate law, taxes, legal and contractual services;

Fiscal consolidation: as the consolidator, Cremonini S.p.A. has adhered to Article 117 of the T.U.I.R. (Consolidated Tax Code), the preparation of the "national tax consolidation". All the Group's subholding companies and all the other entities controlled by them have adhered to this rule.

c – The Net Debt, utilized as a financial indicator of the indebtedness, is shown as a summary of the following positive and negative components of the Statement of Assets and Liabilities. Positive components: cash and cash equivalents; current securities due for sale; short-term financial receivables; derivative instruments. Negative components: due to banks; due to other financiers, leasing and factoring companies; derivative instruments and bonds.

Relationships with Group and related companies

With particular reference to its own activities and the specific financial and service relationships with the subsidiaries and related companies it should be noted that Cremonini S.p.A.'s relationships involved the type of costs and revenues summarised in the following table. The economic and financial data by type of relationship for each company is indicated in the specific annexes to the explanatory notes. It should further be noted that the relationships with related companies are of a minor entity.

(Euro/000)	Parent Company	Subsidiaries	Associated companies	Related companies
Revenues				
Financial income	-	136	-	-
Services	-	6.512	3	-
Sales of goods	-	31.826	-	-
Other income	-	637	144	-
Total revenues	**-**	**39.111**	**147**	**-**
Costs				
Financial charges	11	55	-	-
Services	-	362	-	-
Purchase of goods	-	5	-	-
Other charges	-	541	-	-
Total costs	**11**	**963**	**-**	**-**
Receivables				
Financial	-	20.785	-	-
Trade	-	4.405	15	-
Other (a)	-	13.471	-	-
Total Receivables	**-**	**38.661**	**15**	**-**
Payables				
Financial	2.188	14.427	-	-
Trade	-	8.475	-	-
Other (a)	-	18.243	-	-
Total Payables	**2.188**	**41.145**	**-**	**-**

(a) mainly dividends.
(b) mainly relevant to tax receivables and payables under the national tax consolidation.

The powers granted to the Directors

The powers granted to the individual directors are those specified below:

- to the Chairman Claudia Cremonini, in addition to the legal representation mentioned in Art. 21 of the By-laws, the necessary powers were conferred for the completion of acts relating to the company's business, to be exercised with an individual signature, in connection with powers attributed with a Board of Directors resolution on 23 April 2021;
- to the Chief Executive Officer Paolo Boni, in addition to the legal representation mentioned in Art.21 of the By-laws, the necessary powers were conferred for the completion of acts relating to the company's business, to be exercised with an individual signature, in connection with powers attributed with a Board of Directors resolution on 23 April 2021.

An Executive Committee and a General Manager have not been appointed in the current corporate bodies' structure.

Both the Chairman and the Chief Executive Officer use their powers only for the normal management of the company's business, while significant transactions by typology, quality and value, are submitted to the examination of the Board of Directors.

Castelvetro di Modena, 12 April 2022

THE CHAIRMAN
OF THE BOARD OF DIRECTORS
(Claudia Cremonini)

FINANCIAL STATEMENTS AT 31 DECEMBER 2021

CREMONINI S.P.A.

Financial statements at 31 December 2021

Statement of Financial Position – Assets

(Euro)	Note	**31.12.2021**	31.12.2020
Non-current assets			
Tangible assets	1	81.394.937	82.676.282
Goodwill		-	-
Other intangible assets	2	10.644	17.623
Investments in subsidiaries and associated	3	262.220.619	257.552.735
Investments in other companies	4	1.029.592	1.029.592
Financial instruments / Derivatives		-	-
Financial assets held for sale		-	-
Deferred tax assets	16	0	-
Other non-current assets	5	117.704	72.595
Total non-current assets		**344.773.496**	**341.348.827**
Current assets			
Inventories		-	-
Current financial receivables	6	34.256.050	12.673.600
relating to related parties		*34.256.050*	*12.673.600*
Current trade receivables	7	4.605.254	3.147.810
relating to related parties		*4.419.837*	*2.904.962*
Current tax assets	8	13.146.307	12.991.110
Financial assets held for sale	4	254.547	174.516
Financial instruments / Derivatives		-	-
Cash and cash equivalents	9	23.157.402	1.610.444
Other current assets	10	180.497	150.289
relating to related parties		*131*	*0*
Total current assets		**75.600.057**	**30.747.769**
Total assets		**420.373.553**	**372.096.596**

Statement of Financial Position - Liabilities

(Euro)	Note	**31.12.2021**	31.12.2020
Shareholders' Equity			
Share capital	11	67.073.932	67.073.932
Reserves	12	(41.120.460)	(41.226.187)
Retained earnings		267.555.019	270.535.146
Result for the period		28.078.486	(2.980.129)
Total Shareholders' Equity		**321.586.977**	**293.402.762**
Non-current liabilities			
Non-current financial payables	13	36.870.168	19.964.686
relating to related parties		*25.651*	*25.663*
Financial instruments / Derivatives		-	40.189
Employee benefits	14	317.142	373.220
Non-current provisions for risks and charges	15	101.536	101.536
Deferred tax liabilities	16	3.850.887	3.840.991
Other non-current liabilities		473	473
Total non-current liabilities		**41.140.206**	**24.321.095**
Current liabilities			
Current financial payables	17	39.320.914	48.452.694
relating to related parties		*34.832.204*	*35.598.344*
Financial instruments / Derivatives		0	-
Current tax liabilities	18	7.253.129	295.920
Current trade liabilities	19	9.806.602	4.722.485
relating to related parties		*8.474.679*	*3.720.702*
Other current liabilities	20	1.265.725	901.640
relating to related parties		*535*	*0*
Total current liabilities		**57.646.370**	**54.372.739**
Total liabilities		**420.373.553**	**372.096.596**

Financial statements at 31 December 2021

Income statement

(Euro)	Note	**31 December 2021**	31 December 2020
Revenues	21	7.263.686	6.990.181
relating to related parties		*6.512.317*	*6.314.753*
Other revenues	22	884.344	759.082
relating to related parties		*781.335*	*615.230*
Costs for purchases	23	(63.236)	(62.962)
relating to related parties		*(5.047)*	*(19.448)*
Other operating costs	24	(4.337.355)	(4.313.465)
relating to related parties		*(366.948)*	*(433.751)*
Personnel costs	25	(4.033.080)	(2.608.056)
Amortization and depreciation	26	(3.084.851)	(3.035.913)
Write-downs and provisions	26	-	(98.769)
Revenues from equity investments	27	31.362.776	(778.278)
relating to related parties		*31.286.424*	*(854.199)*
Financial (Income)/Charges	28	(368.607)	(410.518)
relating to related parties		*69.402*	*(30.063)*
Result before taxes		**27.623.677**	**(3.558.698)**
Income taxes	29	454.809	578.569
Result for the period		**28.078.486**	**(2.980.129)**

Statement of comprehensive income

(Euro)	**31 December 2021**	31 December 2020
Result for the period	**28.078.486**	**(2.980.129)**
Items to be reclassified to profit or loss in subsequent periods:		
Fair value valuation financial assets available for sale	80.030	(21.020)
Efficacious part of profits/(losses) on cash flow hedge instruments	40.188	55.233
Tax effect	(9.645)	(13.256)
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial gain (losses)	(6.376)	(5.966)
Tax effect	1.530	1.432
Comprehensive Income	**28.184.213**	**(2.963.706)**

Statement of changes in the shareholders' equity

(Euro)	Share capital	Nominal value treasury stock in portfolio	Total Share capital	Other riserves: Share premium reserve	Legal reserve	Merger Deficit	Merger Surplus	Reserve for IAS adjustments	Reserve Actuarial Gain Losses	Cash flow hedge reserve	Fair valute reserve	Total Reserves	Profits (Losses) carried forward	Result of the year	**Total Shareholders' Equity**
Balances at 31 December 2019	**67.073.932**	**0**	**67.073.932**	**78.279.705**	**14.749.280**	**(146.379.437)**	**94.514**	**12.787.578**	**(68.515)**	**(72.520)**	**(633.215)**	**(41.242.610)**	**247.058.833**	**23.476.313**	**296.366.468**
Allocation of the results for the previous year:															
- retained earnings reserve													23.476.313	(23.476.313)	**0**
Consolidated comprehensive income															**0**
- Net profit (loss) for the period															
- Other Profits/(losses), net of taxes															
Balances at 31 December 2020	**67.073.932**	**0**	**67.073.932**	**78.279.705**	**14.749.280**	**(146.379.437)**	**94.514**	**12.787.578**	**(73.049)**	**(30.543)**	**(654.235)**	**(41.226.187)**	**270.535.146**	**(2.980.129)**	**293.402.762**
Allocation of the results for the previous year:															
- retained earnings reserve													(2.980.129)	2.980.129	**0**
- dividend distribution															**0**
Comprehensive income															
- Net profit (loss) for the period														28.078.486	**28.078.486**
- Other Profits/(losses), net of taxes									(4.846)	30.543	80.030	**105.727**	2		**105.729**
Balances at 31 December 2021	**67.073.932**	**0**	**67.073.932**	**78.279.705**	**14.749.280**	**(146.379.437)**	**94.514**	**12.787.578**	**(77.895)**	**0**	**(574.205)**	**(41.120.460)**	**267.555.019**	**28.078.486**	**321.586.977**

Cash flow statement (indirect method)

(Euro/000)	**31.12.2021**	31.12.2020
Profit for the period	**28.078.486**	**(2.980.129)**
Amortization and depreciation	3.084.851	3.035.913
Impairment	-	-
Net change in other provisions and non-monetary income items	747.959	1.081.044
Net change in Staff Severance Provision	(254.487)	(130.738)
Changes in working capital		
(Increase) decrease in trade receivables	(1.463.037)	960.151
(Increase) decrease in inventories	-	-
Increase (decrease) in trade payables	5.084.473	(995.962)
(Increase) decrease in other items of the working capital	8.159.097	(4.532.333)
Cash-flow from operating activities (A)	**43.437.342**	**(3.562.054)**
Net (investments) in intangible assets	(2.535)	(11.076)
Net (investments) in tangible assets	(1.793.993)	(1.144.250)
Net change in other non current assets	(5.252.646)	(1.333.134)
Acquisition net of Cash and cash equivalent	-	-
Cash-flow from investment activities (B)	**(7.049.174)**	**(2.488.460)**
Increase (Decrease) in medium-long term borrowings	16.905.482	(7.472.221)
Increase (Decrease) in medium-long term liabilities for derivatives	(40.189)	(55.232)
Increase (Decrease) in short-term borrowings	(31.812.232)	15.092.227
Increase (Decrease) in short-term liabilites for derivatives	-	-
Cash-flow from distribution of dividends	-	-
Capital increase and other changes in equity	105.729	16.423
Cash flow from financing activities (C)	**(14.841.210)**	**7.581.197**
Cash Flow of the year (D=A+B+C)	**21.546.958**	**1.530.683**
Cash and cash equivalents at the beginning of the year (E)	1.610.444	79.761
Cash and cash equivalents at the end of the year (F=D+E)	**23.157.402**	**1.610.444**

Cremonini S.p.A. Financial Statements at 31 December 2021

Notes to the financial statements

Form and content of the financial statements

The financial statements at 31 December 2021 were prepared in accordance with the accounting standards and measurement criteria laid down by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union according to the procedure referred to in Article 6 of the (EC) Regulation No. 1606/2002 of the European Parliament and Council of 19 July 2002, as adopted by Legislative Decree no. 38 of 28 February 2005, as amended, and resolutions and ordinances promulgated in implementation of Art. 9 of Legislative Decree 38/2005.
The financial statements for the year were authorised for publication by the Board of Directors meeting held on 12 April 2022.

The section on "Valuation criteria" illustrates the international accounting standards adopted in the preparation of the Cremonini S.p.A. statement of assets and liabilities as at 31 December 2021.

The Cremonini S.p.A. financial statements as at 31 December 2021 were prepared in accordance with the cost method, with the exception of the following postings in the statement of assets and liabilities:

- land and buildings for which the fair value as at 1 January 2004 was adopted, as "deemed cost" as provided for by IFRS 1;
- derivative contracts entered at the fair value.

For the purposes of comparison, the financial statements at 31 December 2021 show the figures for the financial year ended at 31 December 2020.
The following classifications have been used:
- Statement of Financial Position for current/non-current items;
- Income Statement by nature;
- Cash flow statement (indirect method).

It is considered that these classifications provide information that better responds to representing the company's equity, economic and financial situation.
The functional and presentation currency is the euro.

With regard to the schedules contained in these financial statements, the Statement of Assets and Liabilities, Income Statement and Cash Flow Statement are shown in euro units. If not otherwise indicated, the tables contained in these financial statements are shown in thousands of euro.

Changes in accounting standards

The new IFRS and IFRIC standards adopted by the European Union, applicable from 1 January 2021 are reported below with a brief description. The adoption of these revised standards and interpretations has not had any significant impact on the financial statements but has resulted, in some cases, in additional information only. Please also refer to the description in the Directors' Report.

New accounting standards, amendments and interpretations applicable in 2021

The valuation criteria used in preparing the financial statements at 31 December 2021 do not diverge from those used to draw up the financial statements for the financial year ended 31 December 2020, with the exception of the accounting standards, amendments and interpretations applicable as of 1 January 2021, which are described below.

- Amendments to FRS 4 *Insurance Contracts - Deferral of effective date of IFRS 9* (issued on 25 June 2020);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform - Phase 2 (issued on 27 August 2020);

Amendments to IFRS 4 Insurance Contracts - Deferral of effective date of IFRS 9 – At present, the effective date for the temporary exemption from applying IFRS 9 is 1 January 2021 according to IFRS 4 – Insurance Contracts.
The Exposure Draft on amendments to IFRS 17, which was issued in May 2019, proposed extending the temporary exemption from applying IFRS 9 by one year. Subsequently, the date of entry into force of IFRS 9 was further extended to 1 January 2023 in order to align it with the effective date of IFRS 17 - Insurance Contracts based on IASB restatements.
In this regard, the Board issued the extension of the temporary exemption from applying IFRS 9 (Amendments to IFRS 4) on 25 June 2020. EFRAG confirmed its opinion according to which, in order to maintain as level a playing field as possible in the insurance sector, the temporary exemption from applying IFRS 9 should not be extended to banking activities that are material at the reporting entity level. Therefore, EFRAG has proposed that the issuance of a significant amount of insurance contracts within the scope of IFRS 4 be regarded as an indicator of non-predominant banking activity. EFRAG also considers that the amendments do not present a cost problem for many entities that carry out insurance activities and that are not predominant insurers.
EFRAG could not exclude that the amendments may create a competition problem, but was not able to conclude whether this is relevant from an economic point of view. As a result, EFRAG issued an endorsement notice regarding these amendments, which were endorsed on 13 January 2021 and published in the OJE on 14 January 2021 with mandatory application for financial statements for financial periods beginning on or after 1 January 2021 prepared by the IFRS adopters of the Member States.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2. In August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. These amendments make additions to those made in 2019 (IBOR - phase 1) and focus on the effects on entities when an existing interest rate benchmark is replaced with a new one as a result of the reform.
The IASB addressed these issues in a project divided into two phases: Phase 1 dealt with issues prior to replacement (affecting financial reporting in the period before the replacement of an existing interest rate benchmark). This part of the project was concluded on 26 September 2019 by publishing "Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)". Phase 2 of the project addressed issues relating to the replacement of the interest rate benchmark: the endorsed amendments therefore address issues that might affect financial reporting when an existing interest rate benchmark is actually replaced. In particular, the amendments included in the Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) concerned financial assets, financial liabilities and lease liabilities, as well as specific hedge accounting and disclosure requirements under IFRS 7 to accompany the new developments and hedge accounting:
- changes in financial assets, financial liabilities and lease liabilities: the IASB has added a practical expedient for changes that are required by the reform (changes required as a direct consequence of the IBOR reform and made on an economically equivalent basis). These changes are taken into account by updating the effective interest rate. All other changes are accounted for using current IFRS requirements. A similar practical expedient has been proposed for lessee accounting applying IFRS 16;

- hedge accounting requirements: according to published amendments, hedge accounting is not discontinued due to the IBOR reform. Hedging relationships (and related documentation) must be modified to reflect changes to the hedged item, the hedging instrument and the hedged risk. Modified hedging relationships should meet all qualifying criteria for applying hedge accounting, including effectiveness requirements;
- disclosures: in order to enable users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed and how the entity is managing those risks, as well as the entity's progress in transitioning from IBOR to alternative interest rate benchmarks and how the entity is managing this transition. The amendments require an entity to disclose information about:
a) how the transition from interest rate benchmarks to alternative interest rates is managed, the progress made as at the reporting date, and the risks arising from transition;
b) quantitative information on non-derivative financial assets, non-derivative financial liabilities, and derivatives that continue to reference interest rate benchmarks subject to the reform, as disaggregated by significant interest rate benchmark indices;
c) the extent to which the IBOR reform has resulted in changes to an entity's risk management strategy, a description of those changes, and how the entity manages those risks.
The IASB also amended IFRS 4 to require insurance companies adopting the temporary exemption from applying IFRS 9 to implement the changes in accounting for amendments directly required by the IBOR reform.

Accounting standards, amendments and interpretations applicable to the financial statements for the financial years commencing on a subsequent date

Below are the standards and interpretations which, as at the reporting date of these financial statements, had already been issued but were not yet applicable.
These standards will be applicable from the subsequent financial periods; on a preliminary basis, the Company believes that they will have no significant impact on its financial position, results of operations and cash flows.

- On 23 January 2020 and 15 July 2020 the IASB issued "Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current" and "Classification of Liabilities as Current or Non-current - Deferral of Effective Date" to set out the requirements for classifying liabilities as current or non-current. More specifically:
  - management's expectations regarding those events that occurred after the reporting date, such as, for example, in the case of a covenant breach, are not material;
  - the amendments indicate that conditions existing at the end of the reporting period are those that should be used to determine whether there is a right to defer settlement of a liability;
  - the amendments define more clearly the situations that are regarded as settlement of a liability.

  Due to the spread of the Covid-19 pandemic, the IASB proposed postponing the effective date of the document to 1 January 2023.

- On 18 May 2017 the IASB issued IFRS 17 "Insurance Contracts", as subsequently amended by the document on "Amendments to IFRS 17", which was issued on 25 June 2020. The standard regulates the accounting treatment of insurance contracts issued and reinsurance contracts held by the entity.

  The provisions of IFRS 17 are effective for financial periods beginning on or after 1 January 2023.

- On 14 May 2020 the IASB issued "Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020". As regards the "Reference to the Conceptual Framework (Amendments to IFRS 3)", the IASB issued amendments to IFRS 3 in May 2020, which update a reference to the Conceptual Framework for Financial Reporting without changing its accounting requirements for business combinations. Early adoption is permitted. The amendments to IAS 37 addressed the issue of costs to fulfil the contract in the context of onerous contracts. Specifically, the IASB issued the amendments to IAS 37 para. 68A in May 2020, which specify the costs that an entity must include in assessing whether a contract will be loss-making and is therefore recognised as an onerous contract.

These amendments should result in more contracts being accounted for as onerous contracts because they increase the costs that are included in the valuation of the onerous contract. Amendments to IAS 16 addressed the issue of Proceeds before Intended Use. Specifically, in May 2020 the IASB issued amendments to IAS 16, which prohibit a company from deducting from the cost of an item of PPE any proceeds from selling items produced while the company is making the asset available for its intended use. On the contrary, a company will recognise such sales proceeds and any related cost through profit or loss. As regards "Annual Improvements to IFRS Standards 2018-2020", in May 2020 the IASB issued some amendments to IFRS First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IAS 41 Agriculture, in addition to the illustrative examples that accompany IFRS 16 Leases.
All amendments are effective for financial periods beginning on or after 1 January 2022;

- On 12 February 2021 the IASB issued "Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies". The purpose of the amendments is to develop guidance in order to make it easier for entities to make a materiality judgment in disclosure of accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to disclosure of accounting policies.

Amendments will be effective for financial periods beginning on or after 1 January 2023.

- On 12 February 2021 the IASB issued "Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates". The amendments clarify how the company should distinguish changes in accounting policies from changes in accounting estimates, which is relevant because changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies are generally applied, even retrospectively, to past transactions and other past events.

Amendments are effective as from the financial years beginning on or after 1 January 2023.

- On 31 March 2021 the IASB issued "Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021". – In May 2020, the IASB issued an amendment to IFRS 16 COVID-19-Related Rent Concessions. This amendment provided a practical expedient to account for rent concessions due to the COVID-19 emergency. The practical expedient provided for 2020 was available for rent concessions that only affected the payments that were originally due by 30 June 2021. On 31 March 2021, the IASB issued the amendment on "COVID-19- Related Rent Concessions beyond 30 June 2021," which extended the period to take advantage of the practical expedient from 30 June 2021 to 30 June 2022.
  The effective date is for financial statements for financial periods beginning after 1 April 2021, with early adoption permitted. The transitional provisions laid down in the amendment provide for retroactive application: the lessee must therefore apply COVID-19-related rent concessions after 30 June 2021 on a retroactive basis, recognising the cumulative effect of the first-time adoption of this amendment as an adjustment to the opening balance of retained earnings (or any other equity component, if appropriate) at the beginning of the financial period in which it applies the amendment for the first time. It should be also noted that the adoption of the new amendments is not optional but depends on whether the practical expedient provided for May 2020 has been applied or not. If the lessee has already applied the May 2020 practical expedient, the lessee must apply the new amendments. If the lessee has decided not to apply the May 2020 practical expedient, the lessee may not apply the new amendments. If the lessee has yet to decide whether to apply the practical expedient and decides to actually apply it, the application must be retrospective.

- On 7 May 2021 the IASB issued "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document addresses uncertainty in practice about how an entity applies the exemption provided for in paragraphs 15 and 24 of IAS 12 to transactions that give rise to both an asset and liability upon initial recognition and may result in taxable temporary differences of the same amount. Under the proposed amendments, the exemption from initial recognition in IAS 12 would not apply to transactions that give rise to equal and offsetting amounts of taxable and deductible temporary differences at the time of the transaction.

Amendments are effective for financial periods beginning on or after 1 January 2023.

Valuation criteria

The valuation criteria used in the drafting of the financial statements for the period ended 31 December 2021 are the same as those used for the drafting of the financial statements at 31 December 2020, with the possible exception as reported in the section above. The most significant valuation criteria adopted for the drafting of the financial statements are indicated below.

Property, plant and equipment

Property, plant and equipment are recognised at their acquisition price or production price including any ancillary costs which are directly attributable to the asset and connected with its use.
As allowed by IFRS 1, upon transition to the International Accounting Standards, the Company carried out the initial valuation at fair value of certain lands and buildings it owned, and used this fair value as the new cost subject to depreciation.
Except as indicated above, revaluations are not allowed, even in application of specific laws. Assets held under finance leases are recognised under property, plant and equipment as offsetting entries to the financial debt to the lessor and depreciated according to the criteria indicated below.
Property, plant and equipment are depreciated systematically on a straight-line basis throughout their useful life, which is the estimated time in which the asset will be used by the company. When the Property, plant and equipment consist of several significant components, each having a different useful life, depreciation is carried out separately for each component. The value to be depreciated is represented by the book value reduced by the presumable net disposal value at the end of its useful life, if significant or if it can be reliably determined. Land is not depreciated (elements with an indefinite useful life), even if purchased jointly with a building, similarly to property, plant and equipment held for sale which are valued at the lower of the book value and their fair value net of disposal expenses.
Costs for improvements, updating and transformation which add value to the property, plant and equipment are allocated to the balance sheet assets. Any other repair and maintenance costs are recognised in the income statement when they are incurred.
The recoverability of the book value of intangible fixed assets is verified by adopting the criteria indicated under "Impairment of assets".
Depreciation reflects the economic and technical deterioration of the asset and begins when the asset becomes available for use. It is calculated according to the linear model of the asset's estimated useful life.

The rates applied are:

- Buildings	2% - 4% (useful life)
- Plant and equipment	8% - 20%
- Industrial and trade equipment	15% - 25%

Other assets:

- Furniture and furnishings	10% - 15%
- Electronic office equipment	20%
- Vehicles and internal means of transport	20%
- Automobiles	25%
- Other minor assets	10%-40%

An asset is eliminated from the balance sheet at the time of sale or when the future economic benefits expected from its use or disposal no longer apply. Any losses or profits (calculated as the difference between net proceeds of the sale and book value) are included in the income statement upon said elimination.

Goodwill and other intangible assets

Intangible assets refer to assets without an identifiable physical consistency, which are controlled by the company and able to produce future economic benefits, as well as goodwill when purchased against payment of consideration.
An intangible asset is identifiable if it can be separated from goodwill; the identifiability requirement is usually satisfied when:

I. the intangible asset essentially consists of a legal or contractual right, or
II. the asset can be separated, that is, it can be sold, transferred, rented or exchanged autonomously from or as an integral part of other assets. Control means the company's ability to use the future economic benefits arising from the asset and the possibility of limiting access to the asset by others.

Intangible assets are recognised at cost, determined according to the criteria indicated for property, plant and equipment. Revaluations are not allowed, even in application of specific laws.

Intangible assets with a definite useful life are systematically amortised throughout their useful life, which is the estimated period in which the assets will be used by the company; the recoverability of their book value is verified by adopting the criteria indicated under "Impairment of assets".

Goodwill and other intangible assets with an indefinite useful life, where present, are not amortised; the recoverability of their book value is verified at least annually and in any case whenever events take place that could indicate impairment. Regarding goodwill, verification takes place at the lowest aggregate level on the basis of which the company Management assesses, directly or indirectly, the return on the investment including goodwill (cash generating unit). Write-downs are not used for reversing an impairment loss.

Other intangible assets are amortised according to the following criteria:

- Industrial patents and intellectual property rights	5 years
- Concessions, licences, trademarks and similar rights	5 years / 20 years
- Other	5 years / duration of the contract

The amortisation period and the amortisation criteria of intangible assets with a definite useful life are reviewed at least upon each closing date and adjusted prospectively if necessary.

Investments in subsidiaries, associated and other companies

Investments in subsidiaries and associated companies are valued at their acquisition cost, subscription cost or conferral cost, as possible written down in the case of permanent impairment losses; the initial value is reinstated in subsequent financial periods if the reasons for the write-down no longer apply.
The investments in other companies that are classified, according to IAS 39, as available for sale are initially stated at their fair value; subsequently, where it is not possible to determine a reliable fair value, they are maintained at cost, as possibly written down in the case of permanent impairment losses. The initial value will not be reinstated in subsequent years, even when the reasons for the write-down no longer apply.

Cash and cash equivalents

The item relating to cash and cash equivalents includes cash, current bank accounts, demand deposits and other high-liquidity short-term financial investments, which are easily converted into cash and are subject to an insignificant risk of value fluctuation.

Receivables and other short-term assets

Trade receivables and other short-term assets are initially recognised at their nominal value, which is representative of their fair value, and subsequently valued at their amortised cost, net of any write-downs. Due to the short duration of trade receivables, they are not discounted as the effect of the discounting of cash flows is irrelevant, therefore application of the amortised cost does not produce significant effects. The bad debt provision on that date represents the difference between the book value of the receivables and the cash flows reasonably expected from collection thereof.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is eliminated from the balance sheet when:

i. the rights to receive cash flows from the asset have been extinguished;
ii. the right to receive cash flows from the assets is maintained, but there is a contractual obligation to pay them in full and without delay to a third party;
iii. the Company has transferred the right to receive cash flows from the asset and (a) has essentially transferred all the risks and benefits of ownership of the financial asset or (b) it did not transfer or essentially retain all the risks and benefits of the asset, but transferred control of the asset.

In the cases in which the Company transferred the right to receive cash flows from an asset and did not transfer nor essentially maintain all the risks and benefits or did not lose control of the asset, the asset is recognised in the Company balance sheet to the extent of the latter's residual involvement in the asset itself.
In this case, the Group also recognises an associated liability. The asset which is transferred and the associated liabilities are valued so as to reflect the rights and obligations that the Group has retained. Residual involvement which for example takes the form of a guarantee on a transferred asset, is valued at the lower of the asset's initial book value and the maximum value of the consideration that the Company may be required to pay.

Impairment of financial assets

The Company verifies on each balance sheet date whether a financial asset or group of financial assets has become impaired. A financial asset or group of financial assets is considered to have undergone impairment if, and only if, there is objective evidence of impairment as a result of one or several events that took place since the initial recognition (when a "loss event" occurs) and this loss event has an impact that can be reliably estimated on the estimated future cash flows of the financial assets or the group of financial assets. Proof of impairment can be given by indicators such as financial difficulties, inability to fulfil obligations, insolvency with regard to the payment of interest or significant payments, which the debtors or a group of debtors are going through; the probability that the debtor will be bankrupt or become subject to another form of financial reorganisation, or where observable information indicates that there exists a measurable decrease in estimated future cash flows, such as a change in the economic environment or the terms and conditions of the obligations.

For financial assets recognised at amortised cost, the Company has first of all assessed whether there is objective evidence of impairment for each financial asset that is individually significant, or collectively significant for those financial assets that are not significant individually. If the Company determines that there is no evidence of impairment for a financial asset, it includes the asset in a group of financial assets with credit risk characteristics that are similar and assesses it collectively for the purpose of verifying the impairment. Assets that are not evaluated individually for a write-down and for which impairment has been recognised or continues to be recognised, are not evaluated on a collective basis for impairment.
If there is objective evidence of impairment, the amount of the loss is measured as a difference between the book value of the asset and the current value of the estimated future cash flows (excluding credit losses expected in the future that have not yet occurred).
The book value of the asset is reduced through the use of an allowance for bad debts and the amount of the loss is recognised in the income statement.
If in subsequent years the amount of the write-down is estimated to have increased or decreased as a

consequence of an event that took place after the write-down was recognised, the previous write-down must be increased or decreased by adjusting the provision as an offsetting entry in the income statement.

For available for sale financial assets, the Company measures on each balance sheet reference date whether there is objective evidence that an asset or a group of assets has become impaired.

Impairment of non-financial assets

On each balance sheet closing date, the Company assesses whether there are any indicators of impairment of non-financial assets. When events take place that indicate a reduction in the value of an asset or in cases where annual verification of impairment is required, recoverability is verified by comparing the book value with the relevant recoverable value, the latter being the higher of fair value, net of disposal expenses, and value in use.
If there is no binding selling agreement, fair value is estimated on the basis of the values expressed by an active market, recent transactions or on the basis of the best available information in order to reflect the amount that the company could obtain from the sale of the asset.
Value in use is determined by discounting the expected cash flows from use of the asset and, if significant and reasonably determinable, from its disposal at the end of its useful life. Cash flows are determined on the basis of reasonable and documented assumptions which represent the best estimate of future economic conditions that will take place in the remaining useful life of the asset, with greater weight given to indications from outside the company. Discounting takes place at a rate that takes into account the risk inherent in the business area.
Valuation takes place for each individual asset or for the smallest identifiable group of assets that generates autonomously incoming cash flows from continuing use (cash generating unit). When the reasons for the write-downs cease to exist, the assets, except for goodwill, are revalued and the adjustment is allocated to the income statement as a write-back (reversal of an impairment loss). The write-back is made at the lower between recoverable value and gross book value of previous write-downs, decreased by the amortisation rate at which they would have been recognised if the write-down had not taken place.

Share capital

The costs for the issuing of shares or options are classified in shareholders' equity (net of the physical benefit connected to them) as a deduction of profits deriving from the issuing of these instruments.
For buybacks of treasury shares, the price paid, including any directly attributable ancillary expenses, is deducted from the group shareholders' equity until the time of elimination, reissuing or sale of the shares. When treasury shares are resold or reissued, the price collected, net of any directly attributable ancillary expenses and the relevant tax effect, is recognised as group shareholders' equity.

Earnings per share

Basic earnings per share are calculated by dividing the Company's net profit by the weighted average of the ordinary shares outstanding during the financial year, excluding treasury shares.
For the purpose of the calculation of diluted earnings per share, the weighted average of outstanding shares is modified assuming the conversion of all the potential shares having a dilution effect, while the Company's net profit is adjusted to take account of the effects, net of tax, of the conversion.

Financial liabilities

Financial liabilities that fall within the scope of application of IAS 39 are classified as financial liabilities at fair value recognised in the income statement, or as financial payables or derivatives designated as hedging instruments, as the case may be. The Company's financial liabilities include trade payables and other payables, loans and derivative financial instruments. The Company determines the classification of its financial liabilities at the time of initial recognition.

Financial liabilities are initially carried at fair value, which is equal to the consideration received on the settlement date to which are added, in the case of financial payables, directly attributable transaction costs.

Subsequently, non-derivative financial liabilities are measured on the basis of the depreciated cost criterion using the effective interest rate method.
Amortised cost is calculated by recognising every discount or premium on the acquisition and the fees and costs that are an integral part of the effective interest rate. Amortisation at the actual interest rate is included among financial expenses in the income statement.

Profits and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Derecognition of financial liabilities

Financial liabilities are derecognised from the balance sheet when the obligation underlying the liability has been extinguished, cancelled or fulfilled. When an extinguished financial liability has been replaced by another from the same lender, at terms and conditions that are essentially different, or the conditions attached to a liability in existence are essentially modified, this exchange or modification is treated as a derecognition of the original liability and recognition of a new liability, with a consequent recognition in the income statement of any differences between book values.

Accounting treatment for derivatives contracts

Cremonini S.p.A. uses derivative financial instruments to hedge interest rate risk. These derivative financial instruments are initially recognised at fair value on the date on which they are concluded; subsequently this fair value is periodically remeasured; they are accounted for as assets when fair value is positive and as liabilities when it is negative.

Fair value is the price that would be received for the sale of an asset or which would be paid for the transfer of a liability, in an arm's length transaction on the valuation date.

The fair value of the derivative financial instruments used is determined with reference to the market value whenever it is possible to identify an active market for them. If on the other hand the market value of a financial instrument cannot be readily identified, but can be identified through its components or for a similar instrument, market value is determined through assessment of the individual components of the instrument or the similar instrument. Furthermore, for instruments for which it is not possible to readily identify an active market, valuation is determined by using the value from generally accepted valuation models and techniques, which ensure a reasonable approximation of market value.

The accounting methods are the following:

- fair value hedge: changes in fair value of the hedging instrument are in the Income Statement together with changes in fair value of the transactions that are the subject of the hedge.
- cash flow hedge: the "effective" portion of the change in fair value of the derivative is recognised in Equity and subsequently allocated to the Income Statement when the transaction which is the object of the hedge produces its effects; the ineffective portion is allocated directly to the Income Statement.
- financial instruments that do not qualify as hedge: the changes are posted to the income statement.

Derivatives are classified as hedges when the relation between the derivative and the subject of the hedge is formally documented and the hedge effectiveness, which is periodically verified, is high. When hedging derivatives cover the risk of changes in fair value of the instruments which are the subject of the hedge (fair value hedge; e.g. hedging of the change in fair value of fixed rate assets/liabilities), the derivatives are recognised at fair value without allocation of the effects to the income statement; consistently, hedged instruments are adjusted to reflect the changes in fair value associated with the hedged risk. When the derivatives hedge the risk of changes in cash flows of the hedged items (cash flow hedge; e.g. hedging of fluctuations in cash flows of assets/liabilities due to exchange rate fluctuations), fluctuations in fair value of derivatives are initially recognised in equity and subsequently allocated to the income statement consistently with the economic effects produced by the hedged transaction. Changes in the fair value of derivatives that no longer qualify as hedges are recognised in the income statement.

Employee benefits

Employee Severance Indemnity is part of what IAS 19 defines as defined benefit plans, as part of benefits after employment termination. The accounting treatment provided for these types of remuneration requires an actuarial calculation that makes it possible to project into the future the amount of the already accrued employee severance indemnity and discount it to take into account the time that will elapse prior to actual payment. The actuarial calculation considers variables such as average permanence of employees, level of inflation and expected interest rates. Liabilities are measured by independent actuaries. Following the amendments to IAS 19, which were applicable for the financial years commencing on or after 1 January 2013, the profits and losses from the actuarial calculation of defined benefit plans are recognised in the comprehensive income statement entirely in the period they refer to. These actuarial profits and losses are classified directly in retained earnings and are not reclassified in the income statement in subsequent reporting periods. Past service cost is recognised on the earliest of the following dates:

- date on which an amendment or reduction of the plan takes place;
- date on which the Group recognises the related restructuring costs.

The Group recognises the following changes in the net obligations for defined benefit plans in the statement of profit/(loss) for the reporting period by nature:
- costs for work provided, including costs for current and past work provided, profits and losses on non-routine reductions and extinctions; and
- net interest income or interest expenses.

The asset or liability relating to defined benefits includes the present value of the defined benefit obligation after the fair value of the asset servicing the plan is deducted.

Provisions for risks and charges

Provisions for risks and charges are costs and expenses of a definite nature that are certain or likely to be incurred but which at the end of the year could not be quantified or timed. Provisions are recognised when: (i) the existence of an actual, legal or implicit obligation deriving from a past event is probable; (ii) it is probable that the fulfilment of an obligation will be onerous; (iii) the amount of the obligation can be reliably estimated. Provisions are recognised at the amount representing the best estimate of the total that the company would reasonably pay to settle the obligation, or transfer it to third parties at year-end. When the financial effect of time is significant and the payment dates of the obligations are estimated reliably, the provision is discounted; the increase of the provision linked to the passing of time is allocated to income statement under "Financial income (expenses)". The supplementary client indemnity provisions have been set aside on the basis of reasonable estimates, as have other provisions for risks and charges, taking into consideration the available elements for the probable future liability.

Income taxes

Current taxes are determined on the basis of a realistic forecast of the charges to be settled in application of applicable tax laws or which have been essentially approved on the period closing date. The relevant payable is recorded net of any deferred tax assets, withholdings made and tax credits which can be offset, under the item "Tax payables". In the event of a receivable, the amount is recorded under "Receivables from others" of current assets.

Deferred tax assets and liabilities are calculated on the temporary differences between the values of the assets and liabilities recognised in the balance sheet and the corresponding amounts recognised for tax purposes.
Deferred tax liabilities are recognised against all temporary taxable differences, with the following exceptions:
- the deferred tax liabilities originate from the initial recognition of goodwill of an asset or liability in a

transaction that is not a business combination and, at the time of the transaction itself, does not have any effects either on balance sheet profits or the profit and loss calculated for tax purposes;
- the reversal of taxable temporary differences, associated with equity investments in subsidiaries, associated companies and joint ventures, can be controlled and it is probable that this will not take place in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and for tax credits and losses which are unused and carried forward, to the extent that there will be adequate future tax profits that could make possible the use of deductible temporary differences and tax credits and losses carried, except if:

- deferred tax assets connected to deductible temporary differences arise from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not affect either balance sheet results or profit or loss for tax purposes;
- taxable temporary differences associated with equity investments in subsidiaries, associated companies and joint ventures and deferred tax assets are recognised only to the extent that temporary deductible differences will be reversed in the foreseeable future and there are adequate tax profits against which the temporary differences can be used.

Recognition of deferred tax assets takes place when their recovery is probable. The value of deferred tax assets is re-examined on each closing date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available. Deferred tax assets and deferred tax liabilities are classified among non-current assets and liabilities and are netted if they refer to taxes that can be offset. The balance of the netting, if it is an asset, is recognised under the item "Deferred tax assets"; if it is a liability it is recognised under the item "Deferred tax liabilities". When the results of transactions are recognised directly in equity, current taxes, deferred tax assets and deferred tax liabilities are also recognised under equity or in the statement of comprehensive income consistently with the recognition of the element to which they refer.
Deferred tax assets or deferred tax liabilities are calculated on the basis of the tax rate that is expected to be applied in the year in which these assets will be realised or these liabilities will be extinguished.

Criteria for converting foreign currency items

Transactions in a foreign currency are initially recognised in the functional currency, applying the spot exchange rate on the transaction date. Monetary assets and liabilities denominated in a foreign currency are converted into the functional currency at the exchange rate applicable on the balance sheet date.
Foreign exchange differences are recognised in the income statement including foreign exchange differences realised upon collection of the receivables and payment of payables in a foreign currency.
Non-monetary items valued at their historical cost in a foreign currency are converted using the exchange rate applicable on the initial recognition date of the transaction. Non-monetary items recognised at fair value in a foreign currency are converted using the exchange rate applicable on the date that value was determined. Profit and loss from the reconversion of non-monetary items is handled in line with the recognition of profits and losses relating to changes in fair value of these items (conversion differences on items the fair value of which is recognised in the statement of comprehensive income or the income statement are recognised in the comprehensive income statement or the income statement, respectively).

Recognition of revenues

Revenues from the sale of products are recognised at the time that all the risks and expenses deriving from ownership of the assets are transferred, this coinciding with the delivery or shipment thereof.
Revenues from services are recognised on the basis of their degree of completion.
Income of a financial nature is recognised on an accruals basis. For all financial instruments measured at amortised cost, interest income is recognised using the actual interest rate, which is the rate that exactly discounts future payments and collections, estimated on the basis of the expected life of the financial instrument.

Dividends

Dividends are recognised when their allocation is certain, which usually coincides with the distribution resolution passed on the part of the investee, or authorisation by the local monetary authority which approves expatriation thereof, if received from abroad.

Recognition of costs

Costs are recognised when they refer to goods and services which are acquired and/or received during the reporting period.
Rents payable for operating leases are allocated to the income statement according to the accruals principle.
Finance lease payments are allocated, as to the principal amount, to reduction of the financial debt, and as to interest to the income statement.
Expenses for services are recognised on an accruals basis.
For all financial instruments measured at amortised cost, interest expense is recognised using the actual interest rate, which is the rate that exactly discounts future payments and collections, estimated on the basis of the expected life of the financial instrument.

Major assumptions adopted by Management and discretionary valuations

The application of generally accepted accounting principles to the preparation of financial statements and interim financial reports requires that the management make accounting assumptions based on complex and/or subjective judgements, estimates based on past experience and assumptions which are considered reasonable and realistic based on the information which is known at the time the estimate is made. The use of these accounting assumptions influences the carrying value of assets and liabilities and the disclosures on contingent assets and liabilities as at the balance sheet date, as well as the amount of revenues and costs in the reporting period. The actual results may differ from the estimated ones due to the uncertainty that characterises the assumptions and conditions on which the estimates are based. Below are accounting assumptions made during the drafting of the financial statements and interim reports, which are critical because they are based on highly subjective assumptions and estimates with regard to issues which by their very nature are uncertain. If these estimates and assumptions, which are based on the best valuation on the part of the management, should differ from the actual circumstances in the future, they would be modified in an appropriate manner during the period in which these circumstances vary. Changes in the conditions on which the adopted judgements, assumptions and estimates are based may have a significant impact on subsequent results.

Below are the main estimates and assumptions adopted by the Management for the preparation of these annual statements; any changes thereto, which cannot be anticipated at this time, may affect the income and equity.

- Estimates adopted for the measurement of asset impairment

For the purpose of verifying any impairment of the equity investments recognised in the accounts, the Company has adopted the methodology described in the paragraph "Impairment of assets".

The discount rate used was the weighted average cost of capital (WACC), equal to 8.1%. The measurement of any asset impairment (goodwill impairment test) was carried out on an annual basis with reference to 31 December 2021.

- Estimates made in actuarial calculation for the determination of defined benefit plans as part of termination benefits

The measurement of employee severance indemnity liabilities was carried out by an independent actuary based on the following assumptions:

- the anticipated inflation rate is 1.75%;
- discounting rate[1] utilised is equal to 0.44%;
- the anticipated annual rate of increase in post-employment benefits is 2.8125%;
- the annual rate of frequency of post-employment benefits advances is anticipated as 3.00%;
- employee turnover is equal to 6.5%.

- Estimates adopted in the calculation of deferred taxes

The directors are required to make a significant discretionary assessment to determine the amount of deferred tax assets that can be recognised. They are required to estimate the probable time and amount of future taxable profits.

- Others

The following financial statement elements are affected by estimates and assumptions made by Management:
- inventory obsolescence
- depreciation and amortisation
- valuation of other assets.

Financial risk management

The main risks identified, monitored and actively managed by Cremonini S.p.A. are the following:

- Market risk: arising from the Company's exposure to interest rate and exchange rate fluctuations and to price volatility of the products and services sold;
- Credit risk: arising from the possibility of insolvency of a debtor counterparty;
- Liquidity risk: arising from the lack of financial resources with which to cover short-term financial commitments.

Cremonini S.p.A. uses derivative financial instruments to hedge the exposure to interest rate risk. Nevertheless, in the cases where the derivative financial instruments do not meet all the conditions provided for the accounting treatment of the hedging derivative financial instruments (hedge accounting), these are booked at the fair value with a contra entry to the income statement.

Market risk

Market risk consists in the possibility of changes in exchange rates, interest rates or the prices of products adversely affecting the value of assets, liabilities or estimated cash flows.

Exchange Rate Risk

Cremonini S.p.A., operating mainly nationally, is marginally exposed to changes in exchange rates that therefore have little effect on the financial flows that originate from operations and loan transactions in currencies other than the European currency (euro).
At 31 December 2021 the company did not have an exchange rate risk.

[1] Curve of average yields that arises from the IBOXX Eurozone Corporates AA index (7-10 years).

Sensitivity analysis

In consideration of the above comments, the changes in exchange rates with respect to the euro should not have influenced Cremonini S.p.A.'s result for the period in any manner.

Interest rate risk

Cremonini S.p.A., as is evident from the net debt, is exposed to the risk of fluctuation in interest rates that affect the market value of financial assets and liabilities, and the amount of financial charges.

The medium/long-term loans are mainly stipulated with variable interest rates exposing the company to the risk of a change in future cash flows while the fixed rate loans expose the company to the risk of a change of the fair value of the loans themselves.

Sensitivity analysis

As at 31 December 2021, a hypothetic increase of 1% of the EURIBOR, as with all the other variables, would have determined a higher pre-tax charge (and therefore a corresponding reduction of the shareholders' equity) of about Euro 370 thousand on an annual basis (Euro 200 thousand at 31 December 2020).

Credit risk

The credit risk represents the company's exposure to potential losses deriving from the counter party's failure to meet obligations assumed and is evaluated both in commercial terms, i.e., correlated to the customer typologies and to the contractual terms and concentration of the sales, and in financial terms connected to the typology of the counter parties utilised in financial transactions.

Management of trade credit is the responsibility of the Customers Office, Debt Recovery Office and Disputes Management on the basis of formalised valuation procedures for commercial partners' credit lines. This procedure permits the definition of those rules and operational mechanisms that ensure the generation of a payments flow such as to guarantee Cremonini S.p.A. customer solvability and the profitability of the relationship.
The monitoring of the customer is based on collection of data and information on the new customers (to permit a complete and correct evaluation of the risks that a new customer can contribute) and supervision of the evolution of individual credit positions. Furthermore, the receivables balance is monitored during the financial year so as to ensure that the outstanding positions are never significant.
The company's operating practices allow control of the credit risk, through a procedure that monitors the merit classes of the customers that request deferment of payments, thus limiting sales of products and/or services to customers without an adequate level of credit line and guarantees.

The credit risk is also mitigated by the fact that there are no major expositions due to a concentration of positions, in view of the multiple numbers of customers and particularly distributed turnover. With regard to the financial counterparty risk deriving from the use of liquidity, the company implements policies that limit the loan exposure with the individual financial institutions.

At the reference date of the financial statements, the maximum exposure to the credit risk is equal to the value of each category of the receivables indicated below:

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Current trade receivables	4.605	3.148	1.457
Other non-current assets	118	73	45
Other current assets	180	150	30
Total	**4.903**	**3.371**	**1.533**

The fair value of the above categories is not indicated as the carrying value represents a reasonable approximation. The value of the Trade receivables, Other non-current assets and Other current asset items are classifiable as "Level 3" financial assets, or rather those where the inputs are not are based on observable market data.

Please refer to point 7 of the explanatory notes to the financial statements for information regarding the maximum exposure to credit risk.

Liquidity risk

The liquidity risk represents the risk that, due to the incapacity of raising new funds or liquidate assets in the market, the company cannot meet its payment obligations, determining an impact on the economic result in the case where the company is obliged to sustain additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that places the company's activities at risk.
Cremonini S.p.A. systematically respects the maturities of its commitments, a conduct which allows to operate in the market with the necessary flexibility and reliability for the purpose of maintaining a correct balance between the supply and use of financial resources.
Cremonini S.p.A. manages the liquidity risk through prudent control of the necessary cash and cash equivalents for the normal conduct of operations and availability of credit lines that guarantee a satisfying level of resources sufficient to cover any financial necessities. These controls mainly take place through the constant monitoring by the centralised treasury of the receipts and payments flows of all directly or indirectly wholly-owned subsidiaries, pursuing the maintenance of a balance in terms of duration and composition of the payables. This specifically allows the monitoring of the resources flows generated and absorbed by normal operations. With regard to management of the resources absorbed by the investment activities, it is generally preferred to find sources through specific long-term loans.

The table below analyses the financial liabilities and derivative financial liabilities on the basis of the contractual maturities as at the date of the financial statements. It is noted that the amounts indicated do not reflect the carrying values (with the exception of the balances within 12 months, for which the book balances reflect reasonable estimates of the financial flows, given the insignificance of the discounting effect) as they are not discounted. The financial flows from variable rate loans were estimated utilising the average rate of indebtedness at the reference date of the financial statements.

(Euro/000)	Within 12 months	1-5 years	Over 5 years	Total
31 December 2021				
Financial payables	39.321	32.763	4.107	76.191
Financial instruments / Derivatives	-	-	-	-
Trade Liabilities	9.807	-	-	9.807
	49.128	**32.763**	**4.107**	**85.998**
31 December 2020				
Financial payables	48.453	19.965	-	68.418
Financial instruments / Derivatives	-	40	-	40
Trade Liabilities	4.722	-	-	4.722
	53.175	**20.005**	**-**	**73.180**

Classes of financial instruments

The following elements are recognised in conformity with the accounting standards relating to financial instruments:

Balance Sheet Assets 2021	Financial assets at amortised cost	Assets at FVPL	Assets at FVOCI	Total
Other non-current receivable items	118	-	-	**118**
Current financial receivables	34.256	-	-	**34.256**
Current trade receivables	4.605	-	-	**4.605**
Current tax receivables	255	-	-	**255**
Current financial assets held for sale	-	-	-	**-**
Current derivative financial instruments	13.146	-	-	**13.146**
Cash and cash equivalents	23.157	-	-	**23.157**
Other current receivable items	180	-	-	**180**
Total	**75.718**	**-**	**-**	**75.718**
Balance Sheet Assets 2020				
Other non-current receivable items	73	-	-	**73**
Current financial receivables	12.674	-	-	**12.674**
Current trade receivables	3.148	-	-	**3.148**
Current tax receivables	175	-	-	**175**
Current financial assets held for sale	-	-	-	**-**
Current derivative financial instruments	12.991	-	-	**12.991**
Cash and cash equivalents	1.610	-	-	**1.610**
Other current receivable items	150	-	-	**150**
Total	**30.820**	**-**	**-**	**30.820**

Balance Sheet Liabilities 2021	Financial liabilities at amortised cost	Liabilities at FVPL	Liabilities at FVOCI	Total
Non-current financial receivables	36.870	-	-	**36.870**
Non-current derivative financial instruments	-	-	-	**-**
Other non-current receivable items	39.321	-	-	**39.321**
Current financial receivables	-	-	-	**-**
Total	**76.191**	**-**	**-**	**76.191**
Balance Sheet Liabilities 2020				
Non-current financial payables	19.965	-	-	**19.965**
Current financial payables	-	-	40	**40**
Derivative financial instruments	48.453	-	-	**48.453**
Total	**68.417**	**-**	**40**	**68.458**

In conformity with the requirements of the changes introduced to IFRS 13, we indicate that the derivative financial instruments, constituting hedging contracts on exchange and interest rates, are classifiable as "Level 2" financial assets, as the input having a significant effect on the fair value recorded are figures directly observable on the market[2].

In the same manner, with regard to the non-current financial payables, the recognition of which at fair value is indicated in paragraph 14 of these explanatory notes, financial assets are also classifiable as "Level 2" as the inputs that influence the fair value are directly observable market figures.

With regard to the "Other current and non-current assets" items, you are referred to the indications in paragraphs 5 and 10 of these explanatory notes.

[2] The company identifies as "Level 1" financial assets/liabilities those where the input has a significant effect on the fair value recorded, represented by prices quoted on an active market for assets or liabilities and as "Level 3" financial assets/liabilities those where the input is not based on observable market figures.

Capital management policy

The Company's primary aim, in regard to capital management, is to obtain an appropriate level of entity in relation to debt, with the purpose of maintaining equity solidity and achieve a functional debt/equity ratio for the purpose of adequate management of the financial leverage.

For the purpose of reaching these objectives, the Company, in addition to the pursuit of satisfactory economic results and the generation of cash flows, can intervene on the dividends policy and configuration of the Company's capital.

The main indicators that the Company uses for capital management are:

1) R.O.S. (Return on sales);
2) R.O.I. (Return on investments);
3) R.O.A.C.E. (Return on Average Capital Employed);
4) R.O.E. (Return on equity);
5) Net Debt / Equity;
6) Net Debt /EBITDA.

Presentation of the financial statements

The Statement of Assets and Liabilities, Income Statement and Statement of Changes in Shareholders' Equity have been drawn up in Euro, while the Financial Statements and the Explanatory Notes have been drawn up in thousands of euro in order to facilitate their presentation and interpretation.

Information included in the Directors' Report

With respect to the nature of the Group's business activities, the events of significance occurring after the end of the financial year, relationships with associated and related companies together with other information relating to the different business sectors in which the Group operates, please refer to the Directors' Report.

Details of the main items of the statement of assets and liabilities

ASSETS

Non-current assets

Specific statements have been prepared for the two categories of non-current assets (tangible and intangible) which have been respectively attached in annex 3 and 4 that indicate for each item the historic cost, previous amortization and depreciation, changes over the period and final balances.

1. Tangible assets

(Euro/000)	Balance at 31.12.2020	Purchases	Decreases	Other	Amort.	**Balance at 31.12.2021**
Land and buildings	78.123	804	-	-	(1.670)	77.257
Plant and machinery	2.693	688	-	-	(950)	2.431
Industrial and business equipment	-	-	-	-	-	-
Other assets	1.760	307	(168)	163	(455)	1.607
Fixed assets under construction and advances	100	-	-	-	-	100
Total	**82.676**	**1.799**	**(168)**	**163**	**(3.075)**	**81.395**

Land and buildings

The increase in the year, amounting to Euro 804 thousand, related for Euro 471 thousand to works for the refurbishment of the company-owned buildings located in Rome and for Euro 245 thousand to works at the Castelvetro premises (MO).

Land and buildings are encumbered by mortgages, against the loans obtained, for an amount of Euro 74 million.

Plant and machinery

The investments concerned mainly the purchase of specific facilities for the head office in Castelvetro di Modena.

Other assets

The change for the year mainly refers to increases connected with the purchase of cars, furniture and fittings for the company-owned properties in Rome.

2. Other intangible assets

(Euro/000)	Balance at 31.12.2020	Purchases	Decreases	Other	Amort.	**Balance at 31.12.2021**
Patents and intellectual property rights	9	-	-	-	(7)	2
Concessions, licences, trademarks and similar rights	9	3	-	-	(3)	9
Total	**18**	**3**	**-**	**-**	**(10)**	**11**

3. Investments in subsidiaries and associated companies

The main changes that took place in the financial year and the additional information list regarding the subsidiary companies are deductible, in detail, in Annexes 5 and 6.

Equity investments in subsidiaries

The main changes during the year 2021 regarded shareholdings in:

- Chef Express S.p.A. for a future capital increase payment of Euro 5 million;
- Interjet S.r.l. for a write-down of Euro 332 thousand.

The surplus of the residual carrying value of the single equity investments in subsidiaries compared to the measurement made with the shareholders' equity method (appendix 6) is not due to enduring impairment since it is attributable to the greater value of the assets held by the subsidiary or to the potentials and goodwill of the industrial and commercial assets they manage.
More specifically, all equity investments presenting impairment indicators were tested for impairment, and the results were positive.

4. Investments in other companies and Financial assets held for sale

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Trade receivables	-	-	-
Tax assets	1.030	1.030	-
Other receivables	255	175	80

The increase in the balance of the "Financial assets held for sale" is attributable to the fair value measurement of the investment in Banco BPM S.p.A.

Please refer to "Equity investments in other companies" in Appendix 5 for more details.

5. Other non-current assets

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Trade receivables	-	-	-
Tax assets	117	72	45
Other receivables	1	1	-
Other receivables	-	-	-
Accrued income and prepaid expenses	-	-	-
Total	**118**	**73**	**45**

Tax receivables mainly refer to the remaining credit of a request for IRES (Corporate Income) tax refund submitted by Cremonini S.p.A. for itself and the companies that joined the tax consolidation scheme in the years 2007 to 2011.
The amount that was initially claimed for refund had been calculated on the IRAP (Regional Business Tax) with reference to the cost of labour and workers collaborating with the Company.

Current assets

6. Current financial receivables

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Trade receivables	34.256	12.674	21.582
Accrued income and prepaid expenses	-	-	-
Total	**34.256**	**12.674**	**21.582**

Details of the receivables from subsidiaries are given below; you are referred to Annex 1 for further details:

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Receivables from subsidiaries	**20.785**	**-**	**20.785**
Chef Express S.p.A.	20.785	-	20.785
Loans for dividends distribution	-	-	-
Receivables from subsidiaries for transferred tax payables	**13.471**	**12.674**	**797**
As.Ca. S.p.A.	32	545	(513)
Avirail Italia S.r.l. in liq.	-	2	(2)
Castelfrigo Lv S.r.l.	14	-	14
Cibo Sapiens S.r.l.	-	10	(10)
Ges.Car. S.r.l.	-	2.797	(2.797)
Global Service S.r.l.	-	180	(180)
Guardamiglio S.r.l.	-	1.779	(1.779)
Inalca S.p.A.	1.458	5.748	(4.290)
Italia Alimentari S.p.A.	393	1.388	(995)
MARR S.p.A.	11.397	-	11.397
New Catering S.r.l.	60	225	(165)
Treerre Food S.r.l.	117	-	117
Total	**34.256**	**12.674**	**21.582**

Financial receivables from subsidiaries refer to the financial relationships settled through the ordinary treasury current account, the terms and conditions of which are aligned to the conditions normally applied by the banks.

7. Current trade receivables

Trade receivables are broken down as follows:

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Receivables from customers	**185**	**243**	**(58)**
Due within 12 months	201	258	(57)
Provision for bad debts	(16)	(15)	(1)
Receivables from subsidiaries	**4.405**	**2.892**	**1.513**
As.Ca. S.p.A.	-	5	(5)
C&P S.r.l.	4	-	4
Chef Express S.p.A.	318	1	317
Cremonini Restauration S.a.s.	1	1	-
Cremovit S.r.l.	188	-	188
Fiorani & C. S.p.A.	590	712	(122)
Ges.car S.r.l.	982	865	117
Global Service S.r.l.	101	29	72
Guardamiglio S.r.l.	-	346	(346)
INALCA S.p.A.	919	391	528
Interjet S.r.l.	1	-	1
Italia Alimentari S.p.A.	242	-	242
MARR S.p.A.	689	-	689
Momentum Services Ltd	5	1	4
Railrest S.a.	-	1	(1)
Realbeef S.r.l.	-	63	(63)
Roadhouse S.p.A.	30	1	29
Sara S.r.l.	14	-	14
Soc. Agr. Corticella S.r.l.	321	476	(155)
Tecnostar S.r.l.	-	-	-
Receivables from associated companies	**15**	**13**	**2**
Time Vending S.r.l.	15	13	2
Total	**4.605**	**3.148**	**1.457**

The change in the provision for bad debts was the following:

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Initial balance	(16)	(126)	110
Utilized during the year	-	111	(111)
Accruals during the year	-	-	-
Final balance	**(16)**	**(15)**	**(469)**

At 31 December 2021 the trade receivables and the provision for bad debts were apportioned by due date as follows:

(Euro/000)	**31.12.2021**		31.12.2020	
	Amount	Bad Debt prov.	Amount	Bad Debt prov.
Trade receivables not overdue	113	-	-	-
Overdue up to 30 days	54	-	113	-
Overdue from 31 to 60 days	-	-	3	-
Overdue from 61 to 90 days	-	-	7	-
Overdue from 91 to 120 days	34	-	-	-
Overdue over 120 days	-	(16)	135	(15)
Total	**201**	**(16)**	**258**	**(15)**

8. Current tax assets

(Euro/000)	**31.12.2021**	31.12.2020	31.12.2020
Receivables for advance on direct taxes	-	5.148	(5.148)
VAT credit and other taxes requested for reimbursement	13.148	7.845	5.303
Other sundry receivables	1	1	-
Provision for bad debts	(3)	(3)	-
Total	**13.146**	**12.991**	**155**

Current tax assets, equal to Euro 13.1 million, showed an increase of Euro 0.1 million compared to Euro 13.0 million in 2020.

Receivables for direct tax advances, which were not offset on the occasion of the determination of the tax charge for 2020, were taken as a reduction in the IRES debt for the 2021 financial year. This year, in fact, the IRES tax consolidation scheme, which has been joined by Cremonini S.p.A. as the consolidating company, showed a debt of about Euro 6.7 million (see note 18 "Current tax liabilities").

On the other hand, VAT credits showed an increase of Euro 5.3 million as they were still affected by the lower business volumes resulting from the resurgence of the pandemic in the first months of 2021.
The return to normal activities and the use of additional declarations of intent for the non-application of VAT on the part of the Group companies that are regular exporters will allow some of this credit to be reabsorbed during the coming year.

9. Cash and cash equivalents

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Cash	17	9	8
Bank and postal accounts	23.140	1.601	21.539
Total	**23.157**	**1.610**	**21.547**

Please refer to the cash flow statement for the 2021 evolution of cash and cash equivalents.

10. Other current assets

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Accrued income and prepaid expenses	61	44	17
Other receivables			
Advances to suppliers	70	71	(1)
Advances to employees	13	-	13
Receivables from social security institutions	155	154	1
Provision for bad debts	(143)	(143)	-
Other sundry receivables	24	24	-
Total	**180**	**150**	**30**

LIABILITIES

Shareholders' equity

As far as changes are concerned, please refer to the statement of changes in equity.

11. Share capital

The share capital as at 31 December 2021 of Euro 67,073,931.60 is represented by 128,988,330 ordinary shares of the Parent Company Cremonini S.p.A., with a par value of euro 0.52 each, fully subscribed and paid up, with normal rights.

Treasury stock
At 31 December 2021 the Parent Company did not hold any treasury stock.

12. Reserves

Share premium reserve
This reserve is made up of the share premium paid by the shareholders at the time of the Public Subscription Offer in 1998. This reserve amounting to 78,280 thousand euro has not undergone changes compared to 31 December 2020.

Legal reserve
The legal reserve amounting to Euro 14,749 thousand remained unchanged in the financial year, having reached the limit referred to in Article 2430 of the Italian Civil Code.

Reserve for transition to IAS
This is the reserve set up following the first-time adoption of the International Accounting Standards.

Valuation reserve
This reserve identifies changes in the fair value of financial instruments available for sale. Changes for the period that affected the reserve under examination were a decrease in the value of the shares held in Banco BPM S.p.A..

Basic earnings (loss) per share
Basic loss per share as at 31 December 2021 amounted to Euro 0.02177 (Profit of Euro 0.0231 at 31 December 2020) and has been calculated on the basis of the profit for the year of Euro 28,078,486 divided by the weighted average number of ordinary shares outstanding in 2021, equal to 128,988,330.

Diluted earnings (loss) per share
There is no difference between basic and diluted earnings per share.

Non-current liabilities

13. Non-current financial payables

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Due between 1 and 5 years			
Payables to banks	32.737	19.939	12.798
Payables to subsidiaries for Ires reimursement	26	26	-
Total payables due between 1 and 5 years	**32.763**	**19.965**	**12.798**
Due beyond 5 years			
Payables to banks	4.107	-	4.107
Total payables due beyond 5 years	**4.107**	**-**	**4.107**
Total	**36.870**	**19.965**	**16.905**

Below is the breakdown of payables to banks:

(Euro/000)	Credit line	Current	Between 1 and 5 years	Beyond 5 years	**Total 31.12.2021**
Overdraft	3.700	13	-	-	13
Hot Money	18.000	4.534	-	-	4.534
Mortgages	37.000	-	32.889	4.111	37.000
Mortgages	-	(60)	(152)	(4)	(216)
Total		**4.487**	**32.737**	**4.107**	**41.331**

The composition of the mortgages is as follows:

Bank (Euro/000)	Expiry date	Current	between 1 and 5 years	beyond 5 years	**Total 31.12.2021**
Banca Intesa Sanpaolo S.p.A.	30/06/27	-	32.889	4.111	**37.000**
Total		**-**	**32.889**	**4.111**	**37.000**

Net Debt

The table below reports the breakdown of Net Debt at 31 December 2021 and for the previous year:

(Euro/000)	**31.12.2021**	31.12.2020	Difference
A. Cash	17	10	7
B. Cash equivalent	23.141	1.601	21.540
C. Financial assets held for sale	-	-	-
D. Liquidity (A) + (B) + (C)	**24.769**	**1.611**	**21.547**
E. Current financial assets	**20.785**	**-**	**20.785**
F. Current bank liabilities	4.487	12.855	(8.368)
G. Current financial instruments	-	-	-
H. Other current financial liabilities	16.615	19.274	(2.659)
I- Current financial liabilities	**53.231**	**32.129**	**(11.027)**
J. Current net debt (I) - (E) - (D)	**7.677**	**30.518**	**(53.359)**
K. Non current bank liabilities	36.844	19.939	16.905
L. Bonds	-	-	-
M. Other non current financial liabilities	-	-	-
N. Non current financial instruments	-	40	(40)
O. Non current debt (K) + (L) + (M) + (N)	**56.823**	**19.979**	**16.865**
P. Net Debt (J) + (O)	**64.500**	**50.497**	**(36.494)**

The only medium/long-term loan agreement in place at 31 December 2021 provides for financial covenants that, if met, would entitle the bank to withdraw from the agreement itself. The covenants on the agreement – shown in the table below - had been fully complied with at the date of the precise check on 31 December 2021.

Table 1

(Euro/000)	Banca Intesa Sanpaolo S.p.A. (a)
Amount of the loans as at 31 December 2021	37.000
Recipient of the loan	Cremonini S.p.A.
Expiry date	30/06/2027
Covenant	
Net Debt/EBITDA	<= 4.0
Net Debt/Equity	<= 2.75
Net Debt Corrent / Net Debt No Corrent	>=4.0

(a) covenants calculated on the consolidated financial statements of the Cremonini Group, net of the effects of the adoption of IFRS 16.

14. Employee benefits

The item includes the payable for staff severance indemnities and the movement in the period was the following:

(Euro/000)	**31.12.2021**	31.12.2020
Opening balance	373	366
Accrued for the year	-	1
Use for the financial year	(62)	-
Actuarial gain losses	6	6
Closing balance	**317**	**373**

With reference to the significant actuarial hypotheses (as indicated in the paragraph "Main accounting judgments, estimates and assumptions adopted by Management"), the table below shows the effects on the final liabilities deriving from the possible changes thereto.

(Euro/000)	Turnover rate+1%	Turnover rate - 1%	Inflazion rate + 0,25%	Inflazion rate - 0,25%	Discount rate + 0,25%	Discount rate - 0,25%
Effect on the final liability	315	318	319	313	312	321

15. Provisions for risks and charges

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Minor lawsuits and disputes	-	-	-
Provision for risks and losses	102	102	-

(Euro/000)	Balance at 31.12.2020	Provision	Use	**Balance at 31.12.2021**
Minor law suits and disputes	-	-	-	-
Provision for risks and losses	102	-	-	102
Total	**102**	**-**	**-**	**102**

The provisions for risks and charges, unchanged compared to 2020, consist of the quantification of liabilities connected with contractual costs and charges of probable existence.

16. Deferred tax assets and liabilities

As at 31 December 2021, the deferred taxes amounted to Euro 3,851 thousand and represent Euro 3,940 thousand of deferred taxes and Euro 89 thousand of pre-paid taxes.

The first items consist principally of deferred tax liabilities arising from the revaluation of land and buildings, carried out during the transition to international accounting standards, and the deferral of taxation on capital gains realised while deferred taxes refer to the tax effect calculated on the taxed funds taxable in subsequent years.
The details of the individual positions are shown in the following tables.

(Euro/000)	**31.12.2021**		31.12.2020	
	Amount of timing differences	**Fiscal Effect**	**Amount of timing differences**	**Fiscal Effect**
Deferred tax assets				
Bad debt provision	161		161	
Taxed Provisions	102		102	
Interest payables deductable	-		40	
Other	108		111	
Total	**371**		**414**	
Taxable amount forIRES	**371**		**414**	
Tax Rate	24,00%		24,00%	
Deferred tax assets for IRES		**89**		**99**

(Euro/000)	**31.12.2021**		31.12.2020	
	Amount of timing differences	**Fiscal Effect**	**Amount of timing differences**	**Fiscal Effect**
Deferred tax liabilities				
Capital Gains	-		-	
Intangible assets	16.416		16.416	
Total	**16.416**		**16.416**	
Tax Rate	24,00%		24,00%	
Deferred tax liabilities for IRES		**3.940**		**3.940**

Current liabilities

17. Current financial payables

(Euro/000)	31.12.2021	31.12.2020	Difference
Payables to subsidiaries	32.646	33.420	(774)
Payables controlling companies	2.188	2.178	10
Payables to banks	4.487	12.855	(8.368)
Closing balance	**39.321**	**48.453**	**(9.132)**

With regard to the change in bank payables compared to the previous year please refer to the cash flow statement and comments in the Directors' Report with reference to the net debt.
The detail of the payables to subsidiaries is reported below; please refer to Annex 1 for further details:

(Euro/000)	31.12.2021	31.12.2020	Difference
Payables to consolidated subsidiaries	**14.442**	**17.108**	**(2.666)**
Chef Express S.p.A.	-	2.564	(2.564)
Global Service S.r.l.	2.123	2.165	(42)
INALCA S.p.A.	2.879	2.624	255
Interjet S.r.l.	3.646	3.956	(310)
MARR S.p.A.	5.794	5.799	(5)
Payables to unconsolidated subsidiaries	-	-	-
Payables to subsidiaries for transferred tax receivables	**18.204**	**16.312**	**1.892**
Caio S.r.l. (a)	-	239	(239)
Casa Maioli S.r.l. (a)	-	292	(292)
C&P S.r.l.	986	59	927
Chef Express S.p.A.	10.669	9.728	941
Ges.car. S.r.l.	619	-	619
Global Service S.r.l.	17	-	17
Guardamiglio S.r.l.	706	-	706
Inalca Food & Beverage S.r.l.	27	87	(60)
Interjet S.r.l.	102	146	(44)
MARR S.p.A.	-	500	(500)
Roadhouse S.p.A.	4.615	3.966	649
Roadhouse Grill Roma S.r.l.	342	279	63
Società Agricola Corticella S.r.l.	40	526	(486)
Tecno-Star due S.r.l.	5	26	(21)
Treerre Food S.r.l.	76	-	76
W Italia S.r.l. (a)	-	464	(464)
Total	**32.646**	**33.420**	**(774)**

(a) Merged by incorporation into C&P S.r.l. with effect from 1 January 2021

Relative to the financial payables to consolidated companies please refer to the description in the item "Current financial receivables" (note 6).

18. Current tax liabilities

(Euro/000)	31.12.2021	31.12.2020	Difference
IRES	6.701	-	6.701
Withholding taxes	552	296	256
Substitute taxes and other taxes payable	-	-	-
Total	**7.253**	**296**	**6.957**

IRES tax payables are relating to the balance of current taxes accrued in 2021 within the scope of the tax consolidation scheme, which has been joined by Cremonini S.p.A. as the consolidating company. The debt accrued during the year is stated net of the residual receivables for IRES tax advances paid in 2020 (reference should be made to the note 8 "Current tax receivables").

19. Current trade liabilities

(Euro/000)	31.12.2021	31.12.2020	Difference
Suppliers	**1.332**	**1.002**	**330**
Payables to parent company	-	-	-
Cremofin S.r.l.	-	-	-
Payables to subsidiaries	**8.475**	**3.720**	**4.755**
Avirail Italia S.r.l. in liq.	-	6	(6)
Castelfrigo S.r.l.	128	-	128
C&P S.r.l.	293	-	293
Chef Express S.p.A.	715	33	682
Cibo Sapiens S.r.l.	-	3	(3)
Global Service S.r.l.	133	9	124
Guardamiglio S.r.l.	123	-	123
INALCA S.p.A.	2.042	-	2.042
Inalca Food & Beverage S.r.l.	318	195	123
Interjet S.r.l.	2	5	(3)
Italia Alimentari S.p.A.	1.111	248	863
MARR S.p.A.	2.426	2.389	37
New Catering S.r.l.	113	92	21
Realbeef S.r.l.	146	-	146
Roadhouse S.p.A.	524	513	11
Roadhouse Grill Roma S.r.l.	281	61	220
Sara S.r.l.	-	93	(93)
Tecno-Star Due S.r.l.	104	73	31
Treerre Food S.r.l.	16	-	16
Total	**9.807**	**4.722**	**5.085**

Payables to subsidiaries mainly arise from the assignment of VAT credits to the parent company Cremonini S.p.A. within the scope of the Group's VAT payments.

20. Other current liabilities

(Euro/000)	31.12.2021	31.12.2020	Difference
Accrued expenses and deferred income	109	53	56
Inps/Inail/Scau	227	129	98
Inpdai/Previndai/Fasi/Besusso	59	36	23
Payables to other social security institutions	41	35	6
Other payables			
Advances and other payables from customers	-	6	(6)
Payables for employee remuneration	366	400	(34)
Guarantee deposits and down payments received	-	-	-
Payables to directors and auditors	146	159	(13)
Other minor payables	318	84	234
Total	**1.266**	**902**	**364**

The payable for employee remuneration includes the current wages and salaries still to be paid as at 31 December 2021, as well as the allocations relating to the holidays accrued and not taken and related charges.

Guarantees, sureties and commitments

These consist of guarantees given directly by the companies, in the interests of both Group companies and third parties to banks for loans or credit lines, and those guarantees for which the Parent Company is jointly liable, given by banks or insurance companies, for a variety of commercial transactions, Group VAT set-offs, participation in tenders, etc..

They refer to:

(Euro/000)	**31.12.2021**	31.12.2020
Loans or credit lines	456.769	445.807
Revenue Agency / VAT offices	49.686	33.054
Supply contracts, management of leased assets, good performance of contratcs etc.	19.459	8.477
Other minor	891	546
Total guarantees, sureties and commitments	**526.805**	**487.884**

Collateral guarantees granted

Collateral guarantees granted to third parties mainly refer to mortgages on properties owned and are detailed in the comment on the financial statement item of "tangible assets".

Details of the main items of the income statement

21. Revenues

These are broken down as follows:

(Euro/000)	**2021**	2020	Difference
Revenues from sales - Goods for resale	5	3	2
Revenues from services	3.332	3.170	162
Advisory services to third parties	1.602	1.602	-
Rent income	2.246	2.188	58
Other revenues from ordinary activities	79	27	52
Total	**7.264**	**6.990**	**274**

Below is a breakdown of revenues by geographical area:

(Euro/000)	**2021**	2020	Difference
Italy	7.255	6.981	274
European Union	9	9	-
Non-EU countries	-	-	-
Total	**7.264**	**6.990**	**274**

22. Other revenues and income

(Euro/000)	**2021**	2020	Difference
Insurance reimbursements	-	13	(13)
Capital gains on disposal of capital goods	-	3	(3)
Contributions for operating expenses	9	-	9
Other cost reimbursements	875	650	225
Services, consultancy and other minor revenues	-	93	(93)
Total	**884**	**759**	125

23. Costs for purchases

(Euro/000)	**2021**	2020	Difference
Costs for purchases - Goods for resale	(10)	(9)	(1)
Costs for purchases - Stationery and printed paper	(5)	(3)	(2)
Other costs for purchases	(48)	(51)	3
Total	**(63)**	**(63)**	-

24. Other operating costs

(Euro/000)	**2021**	2020	Difference
Costs for services	(3.414)	(3.326)	(88)
Costs for leases and rentals	(118)	(81)	(37)
Other operating charges	(805)	(906)	101
Total	**(4.337)**	**(4.313)**	(24)

The change in the balance with respect to last year is detailed in the following tables.

Costs for services

(Euro/000)	**2021**	2020	Difference
Energy consumption and utilities	(431)	(260)	(171)
Maintenance and repairs	(277)	(296)	19
Commisions, commercial and distribution services	(378)	(389)	11
Third-party services and outsourcing	(52)	(41)	(11)
Purchasing services	-	(1)	1
Other technical and general services	(2.276)	(2.339)	63
Total	**(3.414)**	**(3.326)**	(88)

Costs for leases and rentals

(Euro/000)	**2021**	2020	Difference
Rents and charges payable other property assets	(118)	(81)	(37)
Leases and rentals related to real and personal property	**(118)**	**(81)**	**(37)**
Total	**(118)**	**(81)**	**(37)**

Other operating charges

(Euro/000)	**2021**	2020	Difference
Losses on receivables	(4)	-	(4)
Indirect taxes and duties	(500)	(472)	(28)
Capital losses on disposal of assets	-	(1)	1
Contributions and membership fees	(46)	(69)	23
Other minor costs	(255)	(364)	109
Total	**(805)**	**(906)**	**101**

"Other minor costs" mainly include costs anticipated in the name and on behalf, which are then re-charged back to subsidiaries.

25. Personnel costs

(Euro/000)	**2021**	2020	Difference
Salaries and wages	(2,943)	(1,917)	(1,026)
Social security contributions	(830)	(550)	(280)
Pension and similar costs	(2)	-	(2)
Staff Severance Provision	(208)	(139)	(69)
Other personnel costs	(50)	(2)	(48)
Total	**(4,033)**	**(2,608)**	**(1,425)**

On 31 December 2021 the Company employed a total staff number of 19 persons, as follows:

	Factory staff	Office staff	Managers	**Total**
Eployees as at 31.12.2020	0	15	7	22
Eployees as at 31.12.2021	**0**	**12**	**7**	**19**
Increases (decreases)	0	(3)	0	(3)
Average no. of employees during year 2021	**0**	**12**	**7**	**19**

26. Amortization, depreciation, write-downs and provisions

(Euro/000)	2021	2020	Difference
Depreciation of tangible assets	(3.075)	(2.986)	(89)
Amortization of intangible assets	(10)	(50)	40
Other write-downs of fixed assets	-	(13)	13
Write-downs and provisions	-	(86)	86
Total	**(3.085)**	**(3.135)**	**50**

(Euro/000)	2021	2020	Difference
Receivables write-downs	-	(86)	86
Other provisions	-	(13)	13
Total	**-**	**(99)**	**99**

27. Income (Charges) from equity investments

(Euro/000)	2021	2020	Difference
Income (Charges) from investments in subs.	31.826	-	31.826
Income (Charges) from investments in other comp.	76	77	(1)
Write-down of investments	(539)	(855)	316
Total	**31.363**	**(778)**	**32.141**

The change in the balance with respect to last year is detailed in the following tables.

Income (Charges) from equity investments in subsidiaries

(Euro/000)	2021	2020	Difference
Dividends from subsidiaries			
INALCA S.p.A.	20.086	-	20.086
Marr S.p.A. (dividends)	11.740	-	11.740
Total	**31.826**	**-**	**31.826**

Dividends were received from subsidiaries INALCA S.p.A. and MARR S.p.A. during the year.

Income (Charges) from equity investments in other companies

The 2021 balance of the item under examination includes dividends received in the year from subsidiary Futura S.r.l. (Euro 76 thousand).

Write-downs/Revaluations of investments

(Euro/000)	2021	2020	Difference
Imprenditori E-Marco Polo S.r.l. in liquidazione	(207)	(358)	151
Interjet S.r.l.	(332)	(497)	165
Total	**(539)**	**(855)**	**316**

As already described in paragraphs 3 "Investments in subsidiaries and associates" and 4 "Investments in other companies", the receivables are impaired. In particular, the investment in Interjet S.r.l. was written down to reflect losses incurred in 2021 and the investment in Imprenditori per E-Marco Polo S.r.l. whose winding-up took place in December.

28. Financial (Income)/Charges

(Euro/000)	2021	2020	Difference
Income (Charges) from management of derivatives	(40)	(50)	10
Net financial Income (Charges)	(329)	(361)	32
Total	**(369)**	**(411)**	**42**

(Euro/000)	2021	2020	Difference
Realized Income (Charges) from management of derivatives	(40)	(50)	10
Valuation Income (Charges) from management of derivatives	-	-	-
Total	**(40)**	**(50)**	**10**

In detail:

<u>Net financial income (charges)</u>

(Euro/000)	2021	2020	Difference
Financial Income (Charges) from controlling companies	**(11)**	**(17)**	**6**
Financial Income (Charges) from subsidiaries	**80**	**(13)**	**93**
Financial Income (Charges) from associated companies	**-**	**-**	**-**
Financial income			
- Bank interest receivable	-	-	-
- Other financial income	-	8	(8)
Total financial income	**-**	**8**	**(8)**
Financial charges			
- Interest payable on loans	(365)	(273)	(92)
- Interest payable on current accounts and others	(10)	(20)	10
- Other bank charges	(23)	(46)	23
- Other sundry charges	-	-	-
Total financial charges	**(398)**	**(339)**	**(59)**
Total	**(329)**	**(361)**	**32**

The item groups the total of the interest payable connected to the Group's treasury service and interest, commissions and charges payable to banks and other lenders.

Below is the breakdown of financial charges and income to/from subsidiaries:

(Euro/000)	2021	2020	Difference
Asca S.p.A.	3	-	3
Chef Express S.p.A.	50	37	13
Ges.Car. S.r.l.	16	-	16
Guardamiglio S.r.l.	11	-	11
Global Service S.r.l.	(12)	(9)	(3)
INALCA S.p.A.	42	3	39
Interjet S.r.l.	(18)	(19)	1
MARR S.p.A.	(22)	(25)	3
New Catering S.r.l.	1	-	1
Italia Alimentari S.p.A	9	-	9
Total	**80**	**(13)**	**93**

29. Income taxes

(Euro/000)	2021	2020	Difference
Net income from subs. for transferred taxable amounts	457	618	(161)
IRES previous years	-	-	-
	457	**618**	**(161)**
Provision for deferred/pre-paid taxes	(2)	(39)	37
IRAP	-	-	-
IRAP previous years	-	-	-
	(41)	**(39)**	**37**
Total	**455**	**579**	**(124)**

The balance of net income from tax consolidation refers to the result of the IRES (corporate income) tax consolidation scheme, which has been joined by Cremonini S.p.A. as the consolidating company.

Reconciliation of theoretical tax burden and actual tax burden

IRES

(Euro/000)	Year 2021		Year 2020	
	Taxable amount	Tax	Taxable amount	Tax
Profit before taxation	**27.623**		**(3.558)**	
Taxation rate	24,0%		24,0%	
Theoretical tax burden		**(6.630)**		**854**
Permanent differences				
Non-deductible amortization and depreciation	206		217	
Write-down of financial assets (non-deductible part)	540		856	
Taxes and tax amnesties	283		291	
Other non-deductible costs	226		253	
Total	**1.255**		**1.617**	
Dividends from foreign companies	(30.307)		(73)	
Irap deductible	(170)		(145)	
Write-up of financial assets (non-taxable part)				
Gains on disposals subject to substitute tax				
Other	(532)		(548)	
Total	**(31.009)**		**(766)**	
Timing differences deductible in future years				
Provisions to taxed funds	0		86	
Other	328		366	
Total	**328**		**452**	
Timing differences taxable in future years				
Anticipated depreciations				
Other	(73)			
Total	**(73)**		**0**	
Reversal of timing diff. from previous years				
Capital gains on disposal of real estate	0		0	
Total	**0**		**0**	
Use of taxed provisions	0		(246)	
Other	(73)		(73)	
Total	**(73)**		**(319)**	
Taxable income	**(1.949)**		**(2.574)**	
Tax rate	24,0%		24,0%	
Actual tax durden		**468**		**618**
Ires previous years		**(11)**		**0**

IRAP

(Euro/000)	Year 2021	Year 2020
	Taxable amount	Taxable amount
Profit before taxation	**27.623**	**(3.558)**
Costs not relevant for IRAP		
Financial Income/Charges	(369)	(411)
Revenues from equity investments	31.363	(778)
Write-downs and provisions	0	(99)
Personnel cost	(4.033)	(2.608)
Deductible personnel cost		
Ohers		
Total	**26.961**	**(3.896)**
Theoretical taxable amount	**0**	**0**
Taxation rate	3,90%	3,90%
Actual tax burden	**0**	**0**
Irap previous years		

Information required by Law no. 124/2017

In accordance with the above rules, it should be noted that the Company did not receive any donations from public administrations in 2021.

Other information

Pursuant to the law the total fees due to the directors (articles 2364 and 2389 of the Italian Civil Code), members of the Board of Statutory Auditors and independent auditors are noted below:

- Directors: Euro 430 thousand
- Board of Statutory Auditors: Euro 73 thousand
- Independent Auditors: Euro 67 thousand

(Euro/000)	Company that provided the service	Recipient	Fees pertaining to 2021
Audit	PricewaterhouseCoopers S.p.A.	Cremonini S.p.A.	67.119
Total			**67.119**

Events occurring after the end of the financial year

Please refer to the Directors' Report for details of the other events occurring after the financial year-end.

Allocation of the result for the year

Dear Shareholders,

before concluding and requesting your decisions on this matter, we confirm that the draft financial statements for the year ended 31 December 2021, submitted for your examination and approval at this meeting, were prepared in compliance with prevailing legislation.

Please refer to the Directors' Report for comments on the overall situation of the Company and the Group, as well as the Explanatory Notes for comments on individual items. We invite you to approve the financial statements for the year ended 31 December 2021, together with the Directors' Report.

Furthermore, we propose to allocate the net profit for the year of Euro 28,078,485.97 to the "Retained earnings" reserve.

Castelvetro di Modena, 12 April 2022

THE CHAIRMAN

OF THE BOARD OF DIRECTORS

(Claudia Cremonini)

Annexes

These annexes contain information additional to that reported in the notes to the separate financial statements, and form an integral part thereof:

Annex 1 - Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2021;

Annex 2 - Breakdown of revenues and costs from/to subsidiaries, associated, controlling and related companies for the 2021 financial year;

Annex 3 - Statement of changes in tangible assets for the financial statements ended 31 December 2021;

Annex 4 - Statement of changes in other intangible assets for the financial statements ended 31 December 2021;

Annex 5 - List of equity investments and Available-for-sale assets as at 31 December 2021;

Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2021 (Article 2427, paragraph 5, of the Italian Civil Code).

Annex 1

Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2021

(Euro/000)	Treasury		Trade		Other		**Total**	
	Receivables	Payables	Receivables	Payables	Receivables	Payables	**Receivables**	**Payables**
Subsidiaries:					(a)	(b)		
As.ca. S.p.A.	-	-	-	-	32	-	**32**	**-**
Castelfrigo S.r.l.	-	-	-	128	14	-	**14**	**128**
C&P S.r.l.	-	-	4	293	-	986	**4**	**1.279**
Chef Express S.p.A.	20.785	-	318	715	-	10.679	**21.103**	**11.394**
Cremonini Restauration S.A.S.	-	-	1	-	-	-	**1**	**-**
Cremovit S.r.l.	-	-	188	-	-	-	**188**	**-**
Fiorani & C. S.p.A.	-	-	590	-	-	-	**590**	**-**
Ges.Car. S.r.l.	-	-	982	-	-	619	**982**	**619**
Global Service S.r.l.	-	2.120	101	133	-	23	**101**	**2.276**
Guardamiglio S.r.l.	-	-	-	123	-	706	**-**	**829**
INALCA S.p.A.	-	2.878	919	2.042	1.458	1	**2.377**	**4.921**
Inalca Food & Beverage S.r.l.	-	-	-	318	-	27	**-**	**345**
Interjet S.r.l.	-	3.641	1	2	-	107	**1**	**3.750**
Italia Alimentari S.p.A.	-	-	242	1.111	393	-	**635**	**1.111**
Marr S.p.A.	-	5.788	689	2.426	11.397	18	**12.086**	**8.232**
Momentum Services Ltd	-	-	5	-	-	-	**5**	**-**
New Catering S.r.l.	-	-	-	113	60	-	**60**	**113**
Railrest S.A.	-	-	-	-	-	-	**-**	**-**
Realbeef S.r.l.	-	-	-	145	-	-	**-**	**145**
Roadhouse S.p.A.	-	-	30	524	-	4.617	**30**	**5.141**
Roadhouse Grill Roma S.r.l.	-	-	-	281	-	342	**-**	**623**
Sara S.r.l.	-	-	14	-	-	-	**14**	**-**
Società Agricola Corticella S.r.l.	-	-	321	-	-	39	**321**	**39**
Tecnostar Due S.r.l.	-	-	-	104	-	4	**-**	**108**
Treerre Food S.r.l.	-	-		16	117	76	**117**	**92**
Total subsidiaries	**20.785**	**14.427**	**4.405**	**8.474**	**13.471**	**18.244**	**38.661**	**41.145**
Associated companies:								
Time Vending S.r.l.	-	-	15	-	-	-	**15**	**-**
Total associated companies	**-**	**-**	**15**	**-**	**-**	**-**	**15**	**-**
Controlling companies:								
Cremofin S.r.l.	-	2.188	-	-	-	-	**-**	**2.188**
Total controlling companies	**-**	**2.188**	**-**	**-**	**-**	**-**	**-**	**2.188**

(a) Other receivables include receivables for IRES (corporate tax) benefits transferred to the Parent Company.

(b)The other payables include payables for IRES (corporate tax) benefits transferred to the Parent Company.

Annex 2

Breakdown of revenues and costs from/to subsidiaries, associated, controlling and related companies for the 2021 financial year

(Euro/000)	Revenues Financial	Services	Sales	Other (a)	Total revenues	Expenses Financial	Services	Sales	Other	Total expenses
Subsidiaries:										
As.ca. S.p.A.	3	-	-	-	**3**	-	-	-	-	**-**
Castelfrigo S.r.l.	-	-	-	390	**390**	-	-	-	-	**-**
C&P S.r.l.	-	4	-	1	**5**	-	-	-	-	**-**
Chef Express S.p.A.	50	2.607	-	-	**2.657**	-	95	-	-	**95**
Fiorani & C. S.p.A.	-	6	-	-	**6**	-	-	-	-	**-**
Ges.Car. S.r.l.	16	-	-	-	**16**	-	-	-	-	**-**
Global Service S.r.l.	1	62	-	31	**94**	13	166	-	-	**179**
Guardamiglio S.r.l.	11	-	-	-	**11**	-	-	-	-	**-**
INALCA S.p.A.	45	1.397	-	20.191	**21.633**	2	4	-	208	**214**
Imprenditori per E-Marco Polo S.r.	-	-	-	-	**-**	-	1	4	-	**5**
Inalca Food & Beverage S.r.l.	-	28	-	4	**32**	-	-	-	-	**-**
Interjet S.r.l.	-	11	-	2	**13**	18	-	-	332	**350**
Italia Alimentari S.p.A.	9	243	-	4	**256**	-	14	-	1	**15**
MARR S.p.A.	-	1.219	-	11.746	**12.965**	22	8	1	-	**31**
Momentum Services Ltd	-	5	-	-	**5**	-	-	-	-	**-**
New Catering S.r.l.	1	2	-	-	**3**	-	-	-	-	**-**
Railrest S.A.	-	4	-	-	**4**	-	-	-	-	**-**
Realbeef S.r.l.	-	4	-	-	**4**	-	-	-	-	**-**
Roadhouse S.p.A.	-	876	-	-	**876**	-	1	-	-	**1**
Roadhouse Grill Roma S.r.l.	-	31	-	94	**125**	-	-	-	-	**-**
Sara S.r.l.	-	5	-	-	**5**	-	-	-	-	**-**
Società Agricola Corticella S.r.l.	-	3	-	-	**3**	-	-	-	-	**-**
Tecnostar Due S.r.l.	-	5	-	-	**5**	-	73	-	-	**73**
Total subsidiaries	**136**	**6.512**	**-**	**32.463**	**39.111**	**55**	**362**	**5**	**541**	**963**
Associated companies:										
Time Vending S.r.l.	-	3	-	144	**147**	-	-	-	-	**-**
Total associated companies	**-**	**3**	**-**	**144**	**147**	**-**	**-**	**-**	**-**	**-**
Controlling companies:										
Cremofin S.r.l.	-	-	-	-	**-**	11	-	-	-	**11**
Total controlling companies	**-**	**-**	**-**	**-**	**-**	**11**	**-**	**-**	**-**	**11**

(a) Other revenues include dividends from subsidiaries

Annex 3

Statement of changes in tangible assets for the financial statements ended 31 December 2021

(Euro/000)	Opening position			Changes over the period					Closing position		
	Initial cost	Depreciation provision	Balance at 31.12.2020	Merger	Acquisitions	Net decreases	Reclass./ Other changes	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2021
Land and buildings	98.820	(20.697)	78.123	-	804	-	-	(1.670)	99.624	(22.367)	77.257
Plant and machinery	8.496	(5.803)	2.693	-	688	-	-	(950)	9.184	(6.753)	2.431
Industrial and business equipment	49	(49)	-	-	-	-	-	-	49	(49)	-
Other assets	7.959	(6.199)	1.760	-	307	(168)	163	(455)	8.098	(6.491)	1.607
Fixed assets under construction and advances	100	-	100	-	-	-	-	-	100	-	100
Total	**115.424**	**(32.748)**	**82.676**	**-**	**1.799**	**(168)**	**163**	**(3.075)**	**117.055**	**(35.660)**	**81.395**

Annex 4

Statement of changes in other intangible assets for the financial statements ended 31 December 2021

(Euro/000)	Opening position			Changes over the period				Closing position		
	Initial cost	Amortization provision	Balance at 31.12.2020	Acquisitions	Net decreases	Reclass./Write-downs Other changes	Amortization	Initial cost	Amortization provision	Balance at 31.12.2021
Patents and intellectual property rights	240	(231)	9	-	-	-	(7)	240	(238)	2
Concessions, licences, trademarks and similar rights	26	(17)	9	3	-	-	(3)	28	(19)	9
Total	**266**	**(248)**	**18**	**3**	**0**	**0**	**(10)**	**268**	**(257)**	**11**

Annex 5

List of equity investments and Available-for-sale assets as at 31 December 2021

(Euro/000) Company name	Percentage	Initial value	Purchases or subscriptions	Disposals	(Write-downs) Revaluations	Other changes	Percentage	Final value	Note
Subsidiaries:									
Chef Express S.p.A.	100,00	56.070	5.000	-	-	-	100,00	61.070	
Global Service S.r.l.	100,00	1.644	-	-	-	-	100,00	1.644	
INALCA S.p.A.	71,60	138.209	-	-	-	-	71,60	138.209	
Interjet S.r.l.	100,00	3.693	-	-	(332)	-	100,00	3.361	
MARR S.p.A.	50,42	57.937	-	-	-	-	50,42	57.937	
Imprenditori per E-Marco Polo S.r.l. in liq.	100,00	-	209		(209)	-	100,00	-	
Total subsidiaries		**257.553**	**5.209**	**0**	**(541)**	**0**		**262.221**	
Other companies:									
Futura S.p.A.		963	-	-	-	-		963	
Other minor companies		67	-	-	-	-		67	
Total other companies		**1.030**	**0**	**0**	**0**	**0**		**1.030**	
Financial assets held for sale									
Banco BPM S.p.A.		175	-	-	80	-		255	a)
Total Financial assets held for sale		**175**	**0**	**0**	**80**	**0**		**255**	

a) the investment write-off has been booked in the specific equity reserve "Fair value reserve"

Annex 6

List of equity investments in subsidiaries and associated companies as at 31 December 2021 (Article 2427.5 of the Italian Civil Code)

(Euro/000) Name	Registered office	Capital stock (in Euro if not otherwise stated)	Net profit (loss) for the year ended 31.12.2021	Net equity at 31.12.2021	Percentage held at 31.12.2021	Carrying value (A)	Valuation based on NE (B)	Difference (B) - (A)	Notes
Subsidiaries:									
Chef Express S.p.A.	Castelvetro di Modena (MO)	8.500.000	(12.679)	30.374	100,00%	61.070	24.251	(36.819)	
Global Service S.r.l.	Castelvetro di Modena (MO)	93.000	475	1.559	100,00%	1.644	1.559	(85)	
INALCA S.p.A.	Castelvetro di Modena (MO)	187.017.167	52.434	514.039	71,60%	138.209	364.394	226.185	
Interjet S.r.l.	Castelvetro di Modena (MO)	2.500.000	(330)	3.361	100,00%	3.361	3.361	0	
MARR S.p.A.	Rimini	33.262.560	31.930	336.246	50,42%	57.937	176.221	118.284	
Total subsidiaries						**262.221**	**569.786**	**307.565**	

CREMONINI S.P.A.

Via Modena no. 53 – Castelvetro di Modena (MO)

Share capital Euro 67,073,931.60= fully paid-up

Registered with the Modena Chamber of Commerce Economic and Administrative Register no. 126967

Modena Register of Companies no. 00162810360

Tax code and VAT no. 00162810360

* * *

BOARD OF STATUTORY AUDITORS' REPORT

TO THE SHAREHOLDERS' MEETING

FINANCIAL STATEMENTS AT 31 DECEMBER 2021

prepared pursuant to and for the purposes of

Art. 2429.2 of the Italian Civil Code

Dear Shareholders,

During the financial year ended 31 December 2021, our activities were guided by the provisions of the law and the Rules of Conduct for the Board of Statutory Auditors of unlisted companies issued by the Italian Accounting Profession (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*), published in December 2020 and in force since 1 January 2021.

With this report we bring to your attention such activities and the results achieved.

The financial statements of Cremonini S.p.A. as of 31 December 2021, prepared in accordance with the Italian regulations governing their preparation, have been submitted for your examination, and showed a profit for the year of Euro 28,078,485.97. The financial statements were made available to us within the terms of law.

The independent auditors, PricewaterhouseCoopers S.p.A., in charge of the statutory audit of the accounts delivered to us their report dated 27 April 2022 showing an unqualified opinion.

From the independent auditor's report the financial statements give a true and fair view of the financial position of Cremonini S.p.A. as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The Board of Statutory Auditors, not being entrusted with the statutory audit, carried out on the financial statements the supervisory activities envisaged in Rule 3.8. of the "Rules of conduct of the Board of Statutory Auditors of unlisted companies" consisting of an overall summary control aimed at verifying that the financial statements have been properly prepared. It is the responsibility of the independent auditors to verify the compliance with the accounting records.

1) Supervision work under Art. 2403 and ff. of the Italian Civil Code

We supervised compliance with the law, with the Articles of Association, with proper management principles and in particular, we oversaw the adequacy of the organisational structure, the administrative and accounting system and their actual functioning, and the measures taken by the Board of Directors to deal with the emergency situation resulting from the Covid-19 pandemic, as well as the repercussions of the war in Ukraine, also by gathering information from the heads of functions, and in this regard we have no particular observations to report.

It is acknowledged that the activities of the Board of Statutory Auditors, also during 2021, were mainly carried out using remote participation tools, due to the restrictions imposed by the governmental authorities, and consequently by the company, for the numerous measures issued in connection with the epidemiological emergency due to COVID-19.

In this regard, the Board of Statutory Auditors believes that the adoption of this method has not diminished or affected the degree of reliability of the information received and the effectiveness of its action.

We attended Shareholders' Meetings and Board of Directors' meetings and, on the basis of the information to hand, we have no particular observations to report.

We obtained information from the Board of Directors, well in advance and also during the meetings held, on the general company performance and its outlook, as well as on transactions of greater significance, by size or characteristics, conducted by the Company and its subsidiaries and, on the basis of the information to hand, we have no particular observations to report.

As a part of periodic exchanges of data and information, we held meetings with the audit firm PricewaterhouseCoopers S.p.A, the Supervisory Board as well as with the Board of Statutory Auditors and the Supervisory Board of the subsidiaries Chef Express S.p.A. and Roadhouse S.p.A without any points emerging that are worthy of mention herein.

We perused the Annual Report prepared by the Supervisory Board and as also shared during the exchanges of information with the Board of Statutory Auditors, in this Report it is pointed out that the Company to date has an Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, which needs to be updated to take into account the organisational and regulatory changes occurred, and also the ongoing IT and management optimisation project. The Company has contacted a consulting firm in order to proceed with the updating of the OMC Model under Legislative Decree 231 and related staff training.

We acquainted ourselves with and supervised the adequacy of the organisational, administrative and accounting structure and its actual functioning also by gathering information from heads of functions and we have no particular observations to report in this regard.

We acquainted ourselves with and supervised, within the sphere of our responsibility, the adequacy and functioning of the administrative and accounting system, including in respect of the impacts from the Covid-19 emergency on the information and computerised systems, as well as on the latter's reliability in giving a fair view of the operational events by obtaining information from the heads of functions and scrutinising company documents and we have no particular observations to report in this regard.

We did not discover atypical and/or unusual corporate transactions carried out with third parties or related parties during the financial year. Inter-group and related-party transactions carried out in 2021 are adequately described in the explanatory notes to the financial statements and in the Directors' Report, form part of normal management and were regulated at market conditions.

The Board of Statutory Auditors also acknowledges that:

- No reports were received from the shareholders pursuant to Art. 2408 of the Italian Civil Code;
- It was not necessary to intervene regarding omissions of the Board of Directors pursuant to Art. 2406 of the Italian Civil Code;
- No reports were submitted pursuant to Art. 2409.7 of the Italian Civil Code;
- The directors stated the safeguards put into place for risk management and uncertainties to which the Company is exposed in their Report on Operations. In this connection, it should be noted that the Report on Operations and the Explanatory Notes provide adequate information regarding the measures

put in hand as a result of the current COVID-19 ("coronavirus") epidemiological emergency. The Board of Statutory Auditors satisfied itself, however, that the Company and the Group, as a whole, took all the necessary action to ensure the protection of its personnel and of the community. It also satisfied itself that the measures taken by the Group in continuing to conduct its business complied with the law. It should also be noted that, in their Report on Operations, the directors highlighted the potential implications of the war between Russia and Ukraine. This conflict has in fact led to a further increase in the price of energy products, the difficulty of procuring certain raw materials, and the consequent effects of the economic sanctions launched against Russia, a country in which the Group operates by managing livestock farming, slaughtering and food distribution activities. However, the directors emphasised that these activities are completely segregated from the Group's other activities and, currently, the local market situation is still under control and no negative economic impact has been recorded;

- During the year the Board of Statutory Auditors did not issue any reports set down by law;

- We made no reports to the Board of Directors pursuant to art. 15 of Law Decree no. 118/2021.

No other significant facts emerged during the course of the supervision work, as described above, which would require to be mentioned herein.

2) Observations on the separate financial statements

From the independent auditor's report the financial statements give a true and fair view of the financial position of Cremonini S.p.A. as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

With reference to the disclosures provided in the financial statements as at 31 December 2021, taking account that the statutory audit of accounts was carried out by the audit firm PricewaterhouseCoopers S.p.A., the Board of Statutory Auditors confirms that it verified, within the sphere of its responsibility, that:

- The provisions of law governing the preparation of the financial statements, and the report on operations have been complied with, by means of direct audits and information obtained from the appointed audit firm, and that it has no particular observations to report;

- The financial statements have been prepared in accordance with the "International accounting standards" (IFRS) according to the instructions given by the Board of Directors in the explanatory notes to the financial statements, to which reference should be made for more details;

- The accounting policies used for the purposes of preparing the accounting statements for 2021 are the same as those used for the formation of the financial statements at 31 December 2020, with the exception of new accounting standards, amendments and interpretations applicable from 1 January 2021 which did not have a significant impact on the financial statements but only entailed, in some cases, additional disclosures.

- To the best of our knowledge, the directors have complied with the provisions of law in the preparation of the financial statements, in compliance with the international accounting standards IFRS.

3) Observations and proposals as to the approval of the financial statements

Considering the results of the work we performed and the opinion expressed in the independent auditor's report today, we invite the Shareholders to approve the financial statements as at 31 December 2021, as prepared by the directors.

The Board of Statutory Auditors agrees with the proposal for the allocation of the annual result made by the directors.

Castelvetro di Modena (MO), 27 April 2022

The Board of Statutory Auditors

Eugenio Orienti (Chairman)__(signed)____________________

Paola Simonelli (Standing auditor)__(signed)______________

Giulio Palazzo (Standing auditor)__(signed)_________________ pwc

Independent auditor's report
in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the Shareholders of Cremonini SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cremonini SpA (the "Company"), which comprise the statement of financial position as of 31 December 2021, the income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Cremonini SpA as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors of Cremonini SpA are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Trollo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors of Cremonini SpA is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010

The directors of Cremonini SpA are responsible for preparing a report on operations of Cremonini SpA as of 31 December 2021 (drawn up jointly with the separate and consolidated financial statements), including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of Cremonini SpA as of 31 December 2021 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the financial statements of Cremonini SpA as of 31 December 2021 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Bologna, 27 April 2022

PricewaterhouseCoopers SpA

Signed by

Gianni Bendandi
(Partner)

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

CREMONINI GROUP

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

Consolidated financial statements at 31 December 2021

Consolidated Statement of Financial Position - Assets

(Euro/000)	Note	**Year 2021**	Year 2020
Non-current assets			
Tangible assets	1	1.224.932	1.158.459
Right of use	2	321.939	292.553
Goodwill	3	218.654	211.009
Other intangible assets	4	22.343	27.226
Investments valued at equity	5	15.726	13.933
Investments in other companies	6	15.329	15.597
Financial assets held for sale		13.194	2.347
Financial instruments / Derivatives	19	0	1.818
Non-current financial receivables	7	16.973	28.196
relating to related parties		15.249	*15.408*
Deferred tax assets	8	33.968	36.660
Other non-current assets	9	42.714	54.414
Total non-current assets		**1.925.772**	**1.842.212**
Current assets			
Inventories	10	497.435	409.572
Biological assets	11	54.852	46.229
Current financial receivables	12	12.798	7.756
relating to related parties		*6.053*	*5.834*
Current trade receivables	13	590.584	491.313
relating to related parties		*4.197*	*4.142*
Current tax assets	14	44.091	38.546
Financial assets held for sale		254	174
Financial instruments / Derivatives	19	817	93
Cash and cash equivalents	15	343.491	384.231
Other current assets	16	80.760	69.969
relating to related parties		*96*	*20*
Total current assets		**1.625.082**	**1.447.883**
Total assets		**3.550.854**	**3.290.095**

Consolidated Statement of Financial Position - Liabilities

(Euro/000)	Note	**Year 2021**	Year 2020
Shareholders' Equity			
Share capital	17	67.074	67.074
Reserves	17	(57.162)	(68.690)
Retained earnings		588.442	585.053
Result for the period		23.412	4.433
Shareholders' Equity attributable to the Group		621.766	587.870
Minority interests' capital and reserves		340.542	345.749
Profit for the period attributable to minority		42.146	16.387
Shareholders' Equity attributable to minority interests		382.688	362.136
Total Shareholders' Equity		**1.004.454**	**950.006**
Non-current liabilities			
Non-current financial payables	18	730.821	736.833
Non-current financial payables - Right of use		308.054	271.544
Financial instruments / Derivatives	19	-	112
Employee benefits	20	24.550	23.360
Provisions for risks and charges	21	18.107	18.218
Deferred tax liabilities	22	33.516	36.440
Other non-current liabilities	23	4.080	3.827
		5.181	*3.537*
Total non-current liabilities		**1.119.128**	**1.090.334**
Current liabilities			
Current financial payables	24	504.695	550.089
relating to related parties		*3.594*	*3.384*
Current financial payables - Right of use		67.439	56.167
relating to related parties			
Financial instruments / Derivatives	19	349	1.071
Current tax liabilities	25	34.951	19.888
Current trade liabilities	26	720.944	546.496
relating to related parties		*458*	*5.499*
Other current liabilities	27	98.894	76.044
relating to related parties			
Total current liabilities		**1.427.272**	**1.249.755**
Total liabilities		**3.550.854**	**3.290.095**

Consolidated financial statements as at 31 December 2021

Consolidated income statement

(Euro/000)	Note	**Year 2021**	Year 2020
Revenues	28	3.981.291	3.316.730
relating to related parties		*22.581*	*18.425*
Other revenues	29	95.766	91.520
relating to related parties		*377*	*251*
Other revenues - Non recurring		-	-
Change in inventories of finished and semi-finished goods		(26.139)	31.490
Capitalisation of internal construction costs		7.446	2.680
Costs for purchases	30	(2.772.056)	(2.366.042)
relating to related parties		*(36.342)*	*(47.125)*
Other operating costs	31	(571.500)	(477.240)
relating to related parties		*(2.783)*	*(1.487)*
Other operating costs - Non recurring			
Personnel costs	32	(399.363)	(352.762)
Amortization and depreciation	33	(103.070)	(103.567)
Right of use amortization and depreciation	33	(52.130)	(56.874)
Write-downs and provisions	33	(28.918)	(37.124)
Revenues from equity investments		556	(305)
relating to related parties		*202*	84
Financial (Income)/Charges	34	(8.689)	(40.255)
relating to related parties		*(180)*	*(5)*
		(24.886)	(23.047)
Financial (Income)/Charges - Non recurring			
Result before taxes		**123.194**	**(14.796)**
Income taxes	35	(32.750)	35.616
Result before minority interests		**90.444**	**20.820**
Result attributable to minority interests		(42.146)	(16.387)
Result for the period attributable to the Group		48.298	4.433

Statement of conprehensive income

(Euro/000)	**Year 2021**	Year 2020
Result before minority interests	**65.558**	**20.820**
Items to be reclassified to profit or loss in subsequent periods:		
Fair value valuation financial assets available for sale	8	(707)
Efficacious part of profits/(losses) on cash flow hedge instruments	1.275	1.299
Tax effect	(309)	(319)
Items not to be reclassified to profit or loss in subsequent periods:		
Efficacious part of profits/(losses) on cash flow hedge instruments	(779)	(47)
Translation effects of the financial statements expressed in foreign currencies	19.605	(42.285)
Tax effect	214	13
Comprehensive Income	**85.572**	**(21.226)**
Result attributable to minority interests	(50.632)	6.773
Result for the period attributable to the Group	34.940	(14.453)

Statement of changes in consolidated shareholders' equity

(Euro/000)	Share capital	Nominal value treasury stock in portfolio	Total Share capital	Other Reserves: Share premium reserve	Legal reserve	Reserve for IAS adjustments	Reserve for trading treasury stock	Reserve translation differences	Deficit Merger	Reserve Actuarial Gain Losses	Cash flow hedge reserve	Cash flow hedge reserve	Total Reserves	Profits (Losses) carried forward	Result attributable to the Group	**Shareholders' Equity attributable to Group**	Minority interests' capital and reserves	Result attributable to minority interests	**Shareholders' Equity attributable to minority interests**	**Total**
Balances at 31 December 2019	**67.074**	**0**	**67.074**	**78.280**	**14.749**	**79.036**	**0**	**(74.609)**	**(146.379)**	**(2.835)**	**2.967**	**(1.013)**	**(49.804)**	**543.482**	**44.567**	**605.319**	**316.858**	**47.233**	**364.091**	**969.410**
Allocation of the results of previous year:																				
- retained earnings reserve								0		0	0	0	**0**	44.567	(44.567)	**0**	47.233	(47.233)	**0**	**0**
- distribution of dividends								0		0	0	0	**0**	0	0	**0**	(69)	0	**(69)**	**(69)**
								0		0	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Hyperinflation								0		0	0	0	**0**	(2.996)	0	**(2.996)**	4.887	0	**4.887**	**1.891**
								0		0	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Change in the scope of consolidation and other operations with minority shareholders								0		0	0	0	**0**	0	0	**0**	0	0	**0**	**0**
								0		0	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Consolidated comprehensive income								0		0	0	0	**0**	0	0	**0**	0	0	**0**	**0**
- Profit for the period								(18.703)		(24)	(512)	353	**(18.886)**	0	4.433	**4.433**	0	16.387	**16.387**	**20.820**
- Other Profits/Losses, net of taxes								0		0	0	0	**0**	0	0	**(18.886)**	(23.160)	0	**(23.160)**	**(42.046)**
Balances 31 December 2020	**67.074**	**0**	**67.074**	**78.280**	**14.749**	**79.036**	**0**	**(93.312)**	**(146.379)**	**(2.859)**	**2.455**	**(660)**	**(68.690)**	**585.053**	**4.433**	**587.870**	**345.749**	**16.387**	**362.136**	**950.006**
Allocation of the results of previous year:																				
- retained earnings reserve													**0**	4.433	(4.433)	**0**	16.387	(16.387)	**0**	**0**
- distribution of dividends													**0**	0		**0**	(24.001)		**(24.001)**	**(24.001)**
Change in the scope of consolidation and other operations with minority shareholders													**0**	(1.044)		**(1.044)**	(6.077)		**(6.077)**	**(7.121)**
Hyperinflation													**0**			**0**	0		**0**	**0**
Consolidated comprehensive income																				
- Profit for the period															23.412	**23.412**	0	42.146	**42.146**	**65.558**
- Other Profits/Losses, net of taxes								11.211	0	(352)	28	641	**11.528**			**11.528**	8.484		**8.484**	**20.012**
Balances 31 December 2021	**67.074**	**0**	**67.074**	**78.280**	**14.749**	**79.036**	**0**	**(82.101)**	**(146.379)**	**(3.211)**	**2.483**	**(19)**	**(57.162)**	**588.442**	**23.412**	**621.766**	**340.542**	**42.146**	**382.688**	**1.004.454**

Consolidated Cash Flow Statement (indirect method)

(Euro/000)	**31.12.2021**	31.12.2020
Net profit before minority interests	**65.558**	**20.820**
Amortization and depreciation	103.070	103.567
Amortization and depreciation - Right of use	52.130	56.874
Impairment	(224)	3.716
Net change in other provisions and non-monetary income items	63.990	71.021
Reversal of the effects from extraordinary transactions	0	0
Net change in Staff Severance Provision	(39.951)	(62.755)
Changes in working capital:		
(Increase) decrease in receivables from customers	(101.780)	67.216
(Increase) decrease in inventories	(91.765)	41.802
Increase (decrease) in payables to suppliers	151.882	(141.851)
(Increase) decrease in other items of the working capital	29.048	(63.717)
Net effects from the change in consolidation area	0	0
Cash-flow from operating activities (A)	**231.958**	**96.693**
Net (investments) in tangible assets	(135.914)	(135.230)
Net (investments) in intangible assets	(2.138)	(6.279)
Right of use	(75.663)	(35.968)
Financial flow acquisition and disposal of shareholding or branch of business net of cash and cash equivalent	(17.964)	(17.599)
Net change in other non current assets	(17.721)	2.518
Net effects from the change in consolidation area	0	0
Cash-flow from investment activities (B)	**(249.400)**	**(192.558)**
Increase (Decrease) medium-long term borrowings	(6.564)	24.284
Increase (Decrease) medium-long term liabilities for derivatives	112	(1.709)
Increase (Decrease) financial liabilites for IFRS 16 (right of use)	36.510	0
Increase (Decrease) short term borrowings	(43.234)	82.861
Changes in other securities and other financial assets	(3.598)	(985)
Increase (Decrease) short term liabilites for derivatives	(2)	1.465
Increase (Decrease) financial liabilites for IFRS 16 (right of use)	11.272	7.970
Cash-flow from distribution of dividends	(24.001)	(69)
Capital increase and other changes in equity	6.207	(1.363)
Cash flow from financing activities (C)	**(23.298)**	**112.454**
Cash Flow of the year (D=A+B+C)	**(40.740)**	**16.589**
Cash and cash equivalents at the beginning of the period (E)	384.231	367.642
Cash and cash equivalents at the end of the period (F=D+E)	**343.491**	**384.231**

Consolidated financial statements at 31 December 2021

Notes to the consolidated financial statements

Form and content of the consolidated financial statements

The consolidated financial statements at 31 December 2021 were prepared in accordance with the accounting standards and measurement criteria laid down by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union according to the procedure referred to in Article 6 of the (EC) Regulation No. 1606/2002 of the European Parliament and Council of 19 July 2002, as adopted by Legislative Decree no. 38 of 28 February 2005, as amended, and resolutions and ordinances promulgated in implementation of Art. 9 of Legislative Decree 38/2005.

The financial statements for the year were authorised for publication by the Board of Directors meeting held on 12 April 2022.

The consolidated financial statements were prepared in accordance with the cost method, with the exception of the following postings in the statement of assets and liabilities:

- land and buildings for which the fair value as at 1 January 2004 was adopted, as "deemed cost" as provided for by IFRS 1;
- derivative contracts entered at the fair value through profit or loss.

For the purposes of comparison, the consolidated financial statements at 31 December 2021 show the figures for the financial year ended at 31 December 2020.

The following classifications have been used:

- Statement of Financial Position for current/non-current items;
- Income Statement by nature;
- Cash flow statement (indirect method).

It is considered that these classifications provide information that better responds to representing the Group's equity, economic and financial situation.

The euro is the Parent Company's functional currency and is used for the presentation of the consolidated financial statements. The schedules contained in these financial statements are shown in thousands of euro. If not otherwise indicated, the schedules contained in these financial statements are shown in thousands of euro.

The accounting policies adopted to prepare these consolidated financial statements are shown in the following points:

Consolidation methods

The consolidation is effected using the line-by-line method that consists of the adoption of all asset and liability items in their entirety. The main consolidation criteria adopted for the application of this method are the following:

- the subsidiary companies are consolidated commencing from the date when control is effectively transferred to the Group, and cease to be consolidated at the date when control is transferred outside the

Group;

- where necessary adjustments are made to the financial statements of the subsidiaries to align their accounting policies to those of the Group;
- the assets and liabilities and the income and companies consolidated using the line-by-line method are integrated in the consolidated financial statements; the carrying value of the equity investments is eliminated against the corresponding fraction of shareholders' equity of the subsidiaries, attributing to individual elements of the assets and liabilities their current value at the date of acquisition of control (acquisition method as defined by IFRS 3 "Business combinations"). Any residual difference, if positive, is recorded in the asset item "Goodwill" and if negative in the income statement;
- reciprocal debit and credit and costs and revenues relationships between consolidated companies and the effects of all the transactions of significant relevance exchanged between the latter are eliminated;
- the minority shareholders' portion of shareholders' equity and results for the period are shown separately in the shareholders' equity and in the consolidated income statement. The result of the comprehensive income statement relating to a subsidiary is attributed to the minority shareholders even if this implies that the minority holdings have a negative balance;
- changes in the Parent Company's interest in a subsidiary that does not result in the loss of control are accounted for as capital transactions.

If the Parent Company loses control of a subsidiary, it:

- eliminates the assets (including any goodwill) and the liabilities of the subsidiary;
- eliminates the carrying values of any minority interests in the ex-subsidiary;
- eliminates the accumulated exchange rate differences recorded in the shareholders' equity;
- records the fair value of the consideration received;
- records the fair value of any interest maintained in the ex-subsidiary;
- records each profit or loss in the income statement;
- reclassifies the portion held by the Parent Company of the components previously recorded in the comprehensive income statement, income statement or undistributed profits, as appropriate.

Scope of consolidation

The consolidated financial statements at 31 December 2021 include the financial statements of the Parent Company Cremonini S.p.A. and those of the companies in the which it holds, directly or indirectly, control (including therein the specific purpose entities) excluding immaterial subsidiaries.
Control is obtained when the Group has, or has the right to, variable yields deriving from its relationship with the entity in which it has an investment and, at the same time, it has the capacity to impact on such income by exercising its power over such entities.

Specifically, the Group controls a partially owned company if, and only if, the Group has:

- the power over the entity in which it has an investment (or else holds valid rights that gives it the current capacity to direct the significant activities of such entity);
- recognition or the rights to variable returns deriving from the relationship with the investee entity;
- the capacity of exercising power over the investee entity to impact on the amount of its returns.

Generally, there is a presumption that the majority of the voting rights involves control. Supporting this presumption is that when the Group holds less than the majority of the voting rights (or similar rights), the Group considers all the relevant facts and circumstances to establish if control of the investee entity includes:

- contractual arrangements with other owners with voting rights;
- rights deriving from contractual arrangements;
- the Group's voting rights and potential voting rights.

The Group considers whether or not there is control of a partially owned company if the facts and circumstances indicate that there were changes in one or more of the three relevant elements for the purposes of the definition of control.

Companies that have financial statement values individually and cumulatively immaterial with respect to the

Group's consolidated financial statements were excluded from the scope of the consolidation. Specifically, the exclusion regarded the following companies and their subsidiaries:

Corte Buona Llc.
Imprenditori per E-Marco Polo S.r.l. in liquidation
Inalca Foods Nig Limited (inactive being cancelled)
Inalca Russia Llc
Italia Alimentari USA Corporation
Montana Farm S.p.z.o.o. (in liquidation)
Società Agricola Transumanza S.r.l.

The equity investments in these companies were measured at cost.
The complete list of the holdings included in the scope of the consolidation at 31 December 2021, with an indication of the method of consolidation, is shown in Annex 6.
The scope of the consolidation has been changed, compared to that of the consolidated financial statements of the previous year, as described below. The financial effects of such changes are shown, when significant, in the explanatory notes to the financial statements.

Specifically, with respect to 31 December 2020, the following companies were included in the scope of the consolidation:

- Dolfen S.r.l. 51% held by INALCA S.p.A.;
- Macello di Parma S.r.l. 81.97% held by Dolfen S.r.l.;
- Antonio Verrini S.r.l. wholly held by MARR S.p.A.;
- Chef S.r.l. Unipersonale wholly held by MARR S.p.A.;
- Royi Wine & Spirit (China) LTD 80% held by Inalca Food & Beverage China Holding Ltd.;
- Royi Wine (Shanghai) LTD wholly held by Royi Wine & Spirit (China) LTD.

Lastly, the following changes took place in the scope of consolidation with respect to 31 December 2020:

- the exit from the scope of the consolidation of Parmaubrac S.a.s., merged into Parma France S.a.s.;
- the exit from the scope of the consolidation of Parma Lacombe S.a.s., merged into Parma France S.a.s.;
- the exit from the scope of the consolidation of Parma Turc S.a.s., merged into Parma France S.a.s.;
- the exit from the scope of the consolidation of Sì Frutta S.r.l., merged into MARR S.p.A.;
- the exit from the scope of the consolidation of Avirail Italia S.r.l., wound up;
- the exit from the scope of the consolidation of Cibo Sapiens S.r.l., wound up;
- the merger of Casa Maioli S.r.l. by incorporation into C&P S.r.l.;
- the merger of Caio S.r.l. by incorporation into C&P S.r.l.;
- the merger of W Italia S.r.l. by incorporation into C&P S.r.l.;
- the merger of Mille Sapori Krakow S.p.zo.o. by incorporation into Mille Sapori Plus S.p.zo.o.;
- the increase in the equity investment in Industria Alimentar Carnes de Mocambique Ltd. from 60% to 99%;
- the increase in the equity investment in Sara S.r.l. from 51% to 100%;
- the increase in the equity investment in Inalca Food & Beverage Queensland Pty Ltd. from 75% to 100%;
- the increase in the equity investment in Inalca Angola Ltda. from 95% to 98%;
- the increase in the equity investment in Inalca Algerie S.a.r.l. from 70% to 92.26%.

Changes in accounting standards

The new IFRS and IFRIC standards adopted by the European Union, applicable from 1 January 2021 are reported below with a brief description. The adoption of these revised standards and interpretations has not had any significant impact on the financial statements but has resulted, in some cases, in additional information only. Please also refer to the description in the Directors' Report.

New accounting standards, amendments and interpretations applicable in 2021

The new IFRS and IFRIC adopted by the EU, applicable from 1 January 2021, are briefly described below. The first-time adoption of these revised standards and interpretations has not had any significant effect on the financial statements, but has in some cases required additional disclosures only. For more details, reference should be made to the information provided in the Directors' Report.

The valuation criteria used in preparing the consolidated financial statements at 31 December 2021 do not diverge from those used to draw up the consolidated financial statements for the financial year ended 31 December 2020, with the exception of the accounting standards, amendments and interpretations applicable as of 1 January 2021, which are described below.

- Amendments to FRS 4 *Insurance Contracts - Deferral of effective date of IFRS 9* (issued on 25 June 2020);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – *Interest Rate Benchmark Reform - Phase 2* (issued on 27 August 2020).

Amendments to IFRS 4 *Insurance Contracts - Deferral of effective date of IFRS 9* – At present, the effective date for the temporary exemption from applying IFRS 9 is 1 January 2021 according to IFRS 4 – *Insurance Contracts*.
The Exposure Draft on amendments to IFRS 17, which was issued in May 2019, proposed extending the temporary exemption from applying IFRS 9 by one year. Subsequently, the date of entry into force of IFRS 9 was further extended to 1 January 2023 in order to align it with the effective date of IFRS 17 - *Insurance Contracts* based on IASB restatements.
In this regard, the Board issued the extension of the temporary exemption from applying IFRS 9 (Amendments to IFRS 4) on 25 June 2020. EFRAG confirmed its opinion according to which, in order to maintain as level a playing field as possible in the insurance sector, the temporary exemption from applying IFRS 9 should not be extended to banking activities that are material at the reporting entity level. Therefore, EFRAG has proposed that the issuance of a significant amount of insurance contracts within the scope of IFRS 4 be regarded as an indicator of non-predominant banking activity. EFRAG also considers that the amendments do not present a cost problem for many entities that carry out insurance activities and that are not predominant insurers.
EFRAG could not exclude that the amendments may create a competition problem, but was not able to conclude whether this is relevant from an economic point of view. As a result, EFRAG issued an endorsement notice regarding these amendments, which were endorsed on 13 January 2021 and published in the OJE on 14 January 2021 with mandatory application for financial statements for financial periods beginning on or after 1 January 2021 prepared by the IFRS adopters of the Member States.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – *Interest Rate Benchmark Reform – Phase 2*. In August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. These amendments make additions to those made in 2019 (IBOR - phase 1) and focus on the effects on entities when an existing interest rate benchmark is replaced with a new one as a result of the reform.
The IASB addressed these issues in a project divided into two phases: Phase 1 dealt with issues prior to replacement (affecting financial reporting in the period before the replacement of an existing interest rate benchmark). This part of the project was concluded on 26 September 2019 by publishing "*Interest Rate Benchmark Reform* (Amendments to IFRS 9, IAS 39 and IFRS 7)". Phase 2 of the project addressed issues relating to the replacement of the interest rate benchmark: the endorsed amendments therefore address issues that might affect financial reporting when an existing interest rate benchmark is actually replaced. In particular, the amendments included in the *Interest Rate Benchmark Reform - Phase 2* (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) concerned financial assets, financial liabilities and lease liabilities, as well as specific hedge accounting and disclosure requirements under IFRS 7 to accompany the new developments and hedge accounting:
- changes in financial assets, financial liabilities and lease liabilities: the IASB has added a practical expedient for changes that are required by the reform (changes required as a direct consequence of the IBOR reform and made on an economically equivalent basis). These changes are taken into account by updating the effective interest rate. All other changes are accounted for using current IFRS requirements. A similar practical expedient has been

proposed for lessee accounting applying IFRS 16;
- hedge accounting requirements: according to published amendments, hedge accounting is not discontinued due to the IBOR reform. Hedging relationships (and related documentation) must be modified to reflect changes to the hedged item, the hedging instrument and the hedged risk. Modified hedging relationships should meet all qualifying criteria for applying hedge accounting, including effectiveness requirements;
- disclosures: in order to enable users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed and how the entity is managing those risks, as well as the entity's progress in transitioning from IBOR to alternative interest rate benchmarks and how the entity is managing this transition. The amendments require an entity to disclose information about:

a) how the transition from interest rate benchmarks to alternative interest rates is managed, the progress made as at the reporting date, and the risks arising from transition;

b) quantitative information on non-derivative financial assets, non-derivative financial liabilities, and derivatives that continue to reference interest rate benchmarks subject to the reform, as disaggregated by significant interest rate benchmark indices;

c) the extent to which the IBOR reform has resulted in changes to an entity's risk management strategy, a description of those changes, and how the entity manages those risks.

The IASB also amended IFRS 4 to require insurance companies adopting the temporary exemption from applying IFRS 9 to implement the changes in accounting for amendments directly required by the IBOR reform.

Accounting standards, amendments and interpretations applicable to the financial statements for the financial years commencing on a subsequent date

Below are the standards and interpretations which, as at the reporting date of these financial statements, had already been issued but were not yet applicable.
These standards will be applicable from the subsequent financial periods; on a preliminary basis, the Company believes that they will have no significant impact on its consolidated financial position, results of operations and cash flows.

- On 23 January 2020 and 15 July 2020, the IASB issued "*Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current*" and "*Classification of Liabilities as Current or Non-current - Deferral of Effective Date*" to set out the requirements for classifying liabilities as current or non-current. More specifically:
  - management's expectations regarding those events that occurred after the reporting date, such as, for example, in the case of a covenant breach, are not material;
  - the amendments indicate that conditions existing at the end of the reporting period are those that should be used to determine whether there is a right to defer settlement of a liability;
  - the amendments define more clearly the situations that are regarded as settlement of a liability.

  Due to the spread of the Covid-19 pandemic, the IASB proposed postponing the effective date of the document to 1 January 2023.

- On 18 May 2017 the IASB issued IFRS 17 "*Insurance Contracts*", as subsequently amended by the document on "*Amendments to IFRS 17*", which was issued on 25 June 2020. The standard regulates the accounting treatment of insurance contracts issued and reinsurance contracts held by the entity.

  The provisions of IFRS 17 are effective for financial periods beginning on or after 1 January 2023.
- On 14 May 2020 the IASB issued "*Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020*". As regards the "Reference to the Conceptual Framework (Amendments to IFRS 3)", the IASB issued amendments to IFRS 3 in May 2020, which update a reference to the Conceptual Framework for Financial Reporting without changing its accounting requirements for business combinations. Early adoption is permitted. The amendments to IAS 37 addressed the issue of costs to fulfil the contract in the context of onerous contracts. Specifically, the IASB issued the amendments to IAS 37 para. 68A in May 2020, which specify the costs that an entity must include in assessing whether a contract will be loss-making and is therefore recognised as an onerous contract.

These amendments should result in more contracts being accounted for as onerous contracts because they increase the costs that are included in the valuation of the onerous contract. Amendments to IAS 16 addressed the issue of *Proceeds before Intended Use*. Specifically, in May 2020 the IASB issued amendments to IAS 16, which prohibit a company from deducting from the cost of an item of PPE any proceeds from selling items produced while the company is making the asset available for its intended use. On the contrary, a company will recognise such sales proceeds and any related cost through profit or loss. As regards "*Annual Improvements to IFRS Standards 2018-2020*", in May 2020 the IASB issued some amendments to IFRS 1 - *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments* and IAS 41 *Agriculture*, in addition to the illustrative examples that accompany IFRS 16 *Leases.*
All amendments are effective for financial periods beginning on or after 1 January 2022.

- On 12 February 2021 the IASB issued "*Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies*". The purpose of the amendments is to develop guidance in order to make it easier for entities to make a materiality judgment in disclosure of accounting policies. The amendments to IFRS *Practice Statement 2* provide guidance on how to apply the concept of materiality to disclosure of accounting policies.

Amendments will be effective for financial periods beginning on or after 1 January 2023.

- On 12 February 2021 the IASB issued "Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*". The amendments clarify how the company should distinguish changes in accounting policies from changes in accounting estimates, which is relevant because changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies are generally applied, even retrospectively, to past transactions and other past events.

Amendments are effective as from the financial years beginning on or after 1 January 2023.

- On 31 March 2021 the IASB issued "Amendments to IFRS 16 Leases: *Covid-19-Related Rent Concessions beyond 30 June 2021*". – In May 2020, the IASB issued an amendment to IFRS 16 *COVID-19-Related Rent Concessions*. This amendment provided a practical expedient to account for rent concessions due to the COVID-19 emergency. The practical expedient provided for 2020 was available for rent concessions that only affected the payments that were originally due by 30 June 2021. On 31 March 2021, the IASB issued the amendment on "*COVID-19-Related Rent Concessions beyond 30 June 2021*", which extended the period to take advantage of the practical expedient from 30 June 2021 to 30 June 2022.
  The effective date is for financial statements for financial periods beginning after 1 April 2021, with early adoption permitted. The transitional provisions laid down in the amendment provide for retroactive application: the lessee must therefore apply COVID-19-related rent concessions after 30 June 2021 on a retroactive basis, recognising the cumulative effect of the first-time adoption of this amendment as an adjustment to the opening balance of retained earnings (or any other equity component, if appropriate) at the beginning of the financial period in which it applies the amendment for the first time. It should be also noted that the adoption of the new amendments is not optional but depends on whether the practical expedient provided for May 2020 has been applied or not. If the lessee has already applied the May 2020 practical expedient, the lessee must apply the new amendments. If the lessee has decided not to apply the May 2020 practical expedient, the lessee may not apply the new amendments. If the lessee has yet to decide whether to apply the practical expedient and decides to actually apply it, the application must be retrospective.

- On 7 May 2021 the IASB issued "Amendments to IAS 12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*". The document addresses uncertainty in practice about how an entity applies the exemption provided for in paragraphs 15 and 24 of IAS 12 to transactions that give rise to both an asset and liability upon initial recognition and may result in taxable temporary differences of the same amount. Under the proposed amendments, the exemption from initial recognition in IAS 12 would not apply to transactions that give rise to equal and offsetting amounts of taxable and deductible temporary differences at the time of the transaction.

Amendments are effective for financial periods beginning on or after 1 January 2023.

At present, the Group is analysing the standards described above and evaluating whether their adoption will have a significant impact on the Consolidated Financial Statements.

Valuation criteria

The valuation criteria used in the drafting of the consolidated financial statements for the period ended 31 December 2021 are the same as those used for the drafting of the consolidated financial statements at 31 December 2020, with the possible exception as reported in the section above. The most significant valuation criteria adopted for the drafting of the financial statements are indicated below.

Property, plant and equipment

Property, plant and equipment are recognised at their acquisition price or production price including any directly-attributable ancillary costs required to make the assets available for use. As allowed by IFRS 1, upon transition to the International Accounting Standards, the Company carried out the valuation at fair value of certain lands and buildings it owned, and used this fair value as the new cost subject to depreciation.
Except as indicated above, revaluations are not allowed, even in application of specific laws. Assets held under finance leases are recognised under property, plant and equipment as offsetting entries to the financial debt to the lessor and depreciated according to the criteria indicated below.
Property, plant and equipment are depreciated systematically on a straight-line basis throughout their useful life, which is the estimated time in which the asset will be used by the company. When the Property, plant and equipment consist of several significant components, each having a different useful life, depreciation is carried out separately for each component. The value to be depreciated is represented by the book value reduced by the presumable net disposal value at the end of its useful life, if significant or if it can be reliably determined. Land is not depreciated (elements with an indefinite useful life), even if purchased jointly with a building, similarly to property, plant and equipment held for sale which are valued at the lower of the book value and their fair value net of disposal expenses.
Costs for improvements, updating and transformation which add value to the property, plant and equipment are allocated to the balance sheet assets if they meet the capitalisation requirements required by IAS 16.
Any other repair and maintenance costs are recognised in the income statement when they are incurred.
The recoverability of the book value of intangible fixed assets is verified by adopting the criteria indicated under "Impairment of assets".

Depreciation reflects the economic and technical deterioration of the asset and begins when the asset becomes available for use. It is calculated according to the linear model of the asset's estimated useful life.

The rates applied are:

- Buildings	2% - 5%
- Plant and equipment	7.50% - 20%
- Industrial and trade equipment	15% - 25%
- Other assets:	
- Electronic office equipment	20%
- Office furniture and equipment	10% - 15%
- Vehicles and internal means of transport	20%
- Automobiles	25%
- Other minor assets	10%-40%

The residual book value, the useful life and the depreciation criteria are revised at each reporting date and adjusted on a prospective basis, if necessary.
An asset is eliminated from the balance sheet at the time of sale or when the future economic benefits expected from its use or disposal no longer apply. Any losses or profits (calculated as the difference between

net proceeds of the sale and book value) are included in the income statement upon said elimination.

Leases

Lease agreements are classified as finance leases when the terms of the agreement are such that they essentially transfer all the risks and benefits of ownership to the lessee.
Assets which are the subject of a finance lease agreement are recognised as Group assets at their fair value on the date the contract is concluded or, if lower, at the current value of the minimum payments due for the leasing. The corresponding liabilities payable to the lessor are included in the balance sheet as liabilities for finance leases. Lease payments are divided between principal and interest in order to reach an interest rate which is constant on the residual liability. Financial expenses are directly imputable to the income statement for the reporting period.

The costs of operating lease payments are recognised on a straight-line basis based on the duration of the contract.

Goodwill and other intangible assets

Intangible assets refer to assets without an identifiable physical consistency, which are controlled by the company and able to produce future economic benefits, as well as goodwill when purchased against payment of consideration.
Identifiability is defined with reference to the possibility of separating the intangible asset acquired from goodwill; this requirement is usually satisfied when: the intangible asset essentially consists of a legal or contractual right, or the asset can be separated, that is, it can be sold, transferred, rented or exchanged autonomously from or as an integral part of other assets. Control means the company's ability to use the future economic benefits arising from the asset and the possibility of limiting access to the asset by others.
Intangible assets that are acquired separately are initially recognised at cost, determined according to the criteria indicated for property, plant and equipment, while those acquired through business combinations are stated at fair value at the date of acquisition. Revaluations are not allowed, even in application of specific laws.
Intangible assets with a definite useful life are systematically amortised throughout their useful life, which is the estimated period in which the assets will be used by the company; the recoverability of their book value is verified by adopting the criteria indicated under "Impairment of assets".
Goodwill and other intangible assets with an indefinite useful life, where present, are not amortised; the recoverability of their book value is verified at least annually and in any case whenever events take place that could indicate impairment. Regarding goodwill, verification takes place at the lowest aggregate level on the basis of which the company Management assesses, directly or indirectly, the return on the investment including goodwill (cash generating unit). Write-downs are not used for reversing an impairment loss.

Goodwill is considered as having an indefinite useful life and is therefore not related to the period of the contractual license. The management has decided to use this accounting treatment since:

- the licence price initially paid is related to the value of the turnover of the business purchased and is independent with regard to the remaining contractual period;
- in the past, on expiry of the contract, the Group was always able to renew the licenses;
- the redefining of contractual relationships that occurred in the past resulted from voluntary agreements. From the conclusion of these transactions, the Group, besides having solidified trade relationships with the companies, has also obtained extensions to the contractual terms. In these cases, as in the previous, the goodwill eventually paid has not shown an impairment.

When goodwill is directly correlated to a contract the award and/or renewal of which is traditionally subject to tendering or to any other form of similar awarding, this goodwill is regarded as having a definite useful life and is amortised over the term of the concession.

Other intangible assets are amortised according to the following criteria:

- Industrial patents and intellectual property rights	5 years
- Concessions, licences, trademarks and similar rights	5 years / 20 years
- Other	5 years / duration of the contract

The amortisation period and the amortisation criteria of intangible assets with a definite useful life are reviewed at least upon each closing date and adjusted prospectively if necessary.

Right of use

The right of use is stated at cost, net of accumulated amortisation and impairment losses and as adjusted to take account of any possible restatement of lease liabilities.

The cost of this asset includes:

a) the amount of the initial measurement of the lease liability;
b) lease payments due on or before the effective date, net of lease incentives received;
c) initial direct costs sustained by the lessee; and
d) the estimated costs that the Group, as lessee, is to incur for dismantling and removing the underlying asset and restoring the site at which it is installed or for restoring the underlying asset to the condition laid down in the lease terms and conditions. The lessee falls under the obligation to pay these costs on the effective date or as a result of the use of the underlying asset during a certain period.

The lessee must recognise the costs referred to in paragraph 24, letter d), as a part of the cost of the right-of-use asset when it assumes the obligation to pay these costs. The obligations relating to the aforesaid costs accounted for by applying this Standard or IAS 2 are recognised and measured by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.
Right of use is amortised from the effective date until the end of the right-of-use asset's useful life or, if before, at the end of the term of the lease.
Recoverability of book value is measured adopting the criteria set out in "Impairment of non-financial assets."

Equity investments in associated and other companies

An associated company is a company upon which the Group exerts a significant influence. Significant influence means the power to participate in the financial and operating policies of the investee while not having control or joint control over it.
Investments in associates are measured by using the net equity method and investments in other companies are measured at fair value, as indicated in Annex 5 and the notes that follow.
With the net equity method, the investment in an associate is initially recognized at cost. The carrying value of the investment is increased or decreased to recognize the investor's share of the profits and losses pertaining to the subsidiary after the date of acquisition. The goodwill of the subsidiary is included in the carrying value of the investment and is subjected neither to amortization, nor to individual assessment of impairment. The consolidated income statement for the year reflects the share attributable to the Group as the subsidiary's result for the year. Any change in the other components of the comprehensive income statement related to these subsidiaries is presented as part of the Group's comprehensive income statement. In addition, in the event that an associated company detects a change with a direct effect on shareholders' equity, the Group recognises its share, where applicable, in the statement of changes in net equity. The unrealized gains and losses deriving from transactions between the Group and its associates or joint ventures are eliminated to the extent of the investment in the associates or joint ventures.
The recoverability of their carrying value is verified by adopting the criteria indicated in the section on "impairment of non-financial assets" as regards investments in associated companies and in the section on "impairment of financial assets" as regards investments in other companies.
When losing significant influence over an associated company or joint control over a joint venture, the Group assesses and recognises the residual shareholding at fair value. The difference between the carrying value of the equity investment on the date that significant influence or joint control is lost and the fair value of the residual shareholding and of the consideration received must be recognised in the income statement.

Inventories

Inventories are entered at the lower of purchase or production cost, calculated by the FIFO method and the presumed realisable value in consideration of the market trend.

Biological assets

The biological assets represented by livestock essentially have been valued at their fair value, net of accretion and sale costs.

Cash and cash equivalents

The item relating to cash and cash equivalents includes cash, current bank accounts, demand deposits and other high-liquidity short-term financial investments, which are easily converted into cash and are subject to an insignificant risk of value fluctuation, except for exchange risk.

Receivables and other short-term assets

Trade receivables and other short-term assets are initially recognised at their nominal value, which is representative of their fair value at the reporting date and subsequently valued at their amortised cost, net of any write-downs. Upon recognition, the face value of the receivable consists of its fair value at the reporting date. Due to the short duration of trade receivables, they are not discounted as the effect of the discounting of cash flows is irrelevant, therefore application of the amortised cost does not produce significant effects. The bad debt provision on that date represents the difference between the book value of the receivables and the cash flows reasonably expected from collection thereof. According to its policy choice the Group classifies the write-down of receivables among "Amortisation, depreciation and write-downs."

Financial assets

In line with IFRS 9, financial assets are initially recognised at amortised cost value or fair value, plus any transaction costs that are directly attributable to the acquisition, except for financial assets recognised at fair value through profit or loss. The Group's financial assets include cash and short-term deposits, trade receivables, other short-term receivables, loans, unlisted financial instruments and derivatives.
The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. After initial recognition, these financial assets are subsequently measured at amortised cost by using the effective interest rate (EIR) method, less impairment losses. Amortised cost is calculated considering discounts, purchase bonuses, fees or costs (if any) that are an integral part of the effective interest rate. Amortisation at effective interest rate is recognised as a financial income in the income statement. Impairment losses are recognised as financial costs in the income statement.

Derivatives

After their initial recognition, derivatives are measured at fair value once again and are accounted for as financial assets when fair value is positive.
Profits or losses (if any) arising from changes in the fair value of derivatives are recognised directly through profit or loss, except for the effective portion of cash flow hedges, which is recognised among other comprehensive income and subsequently reclassified in the statement of profit/(loss) for the year when the hedging instrument affects profit or loss.

As regards instruments that are classified as cash flow hedge and qualify as such, fair value changes are recognised, limited to the effective portion only, in a specific equity reserve stated as "Cash flow hedge reserve" through comprehensive income. This reserve is subsequently taken to profit or loss at the time the hedged underlying affects profit or loss. Fair value changes attributable to the ineffective portion are immediately recognised through profit or loss for the period. If the occurrence of the underlying transaction is no longer considered to be highly probable, or when the hedging relationship can no longer be demonstrated, the corresponding portion of the "Cash flow hedge reserve" is immediately taken to profit or loss.

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets), as required by IFRS 9, is derecognised when:

- the rights to receive cash flows from the asset have been extinguished;
- the Group has transferred the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay to a third party and (a) has substantially transferred all the risks and rewards of ownership of the financial asset or (b) has not transferred or substantially retained all the risks and rewards of the asset, but has transferred the related control.

In the cases in which the Group has transferred the rights to receive cash flows from an asset and has not transferred nor substantially retained all the risks and rewards or has not lost control of the asset, the asset is recognised in the Group's financial statements to the extent of the latter's residual involvement in the asset itself. In this case the Group also recognises an associated liability. The asset transferred and the associated liabilities are measured in such a way as to reflect the rights and obligations that the Group has retained.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is eliminated from the balance sheet when:

- the rights to receive cash flows from the asset have been extinguished;
- the right to receive cash flows from the assets is maintained, but a contractual obligation has been undertaken to pay them in full and without delay to a third party;
- the Group has transferred the right to receive cash flows from the asset and (a) has essentially transferred all the risks and benefits of ownership of the financial asset or (b) it did not transfer or essentially retain all the risks and benefits of the asset, but transferred control of the asset.

In the cases in which the Group transferred the right to receive cash flows from an asset and did not transfer nor essentially maintain all the risks and benefits or did not lose control of the asset, the asset is recognised in the Group balance sheet to the extent of the latter's residual involvement in the asset itself. In this case, the Group also recognises an associated liability. The asset which is transferred and the associated liabilities are valued so as to reflect the rights and obligations that the Group has retained. Residual involvement which for example takes the form of a guarantee on a transferred asset, is valued at the lower of the asset's initial book value and the maximum value of the consideration that the Group may be required to pay.

Impairment of financial assets

The Group verifies on each balance sheet date whether a financial asset or group of financial assets has become impaired. A financial asset or group of financial assets is considered to have undergone impairment if, and only if, there is objective evidence of impairment as a result of one or several events that took place since the initial recognition (when a "loss event" occurs) and this loss event has an impact that can be reliably estimated on the estimated future cash flows of the financial assets or the group of financial assets. Proof of impairment can be given by indicators such as financial difficulties, inability to fulfil obligations, insolvency with regard to the payment of interest or significant payments, which the debtors or a group of debtors are going through; the probability that the debtor will be bankrupt or become subject to another form of financial reorganisation, or where observable information indicates that there exists a measurable decrease in estimated future cash flows, such as a change in the economic environment or the terms and conditions of the obligations.

For financial assets recognised at amortised cost, the Group has first of all assessed whether there is objective evidence of impairment for each financial asset that is individually significant, or collectively significant for those financial assets that are not significant individually. If the Group determines that there is no evidence of

impairment for a financial asset, it includes the asset in a group of financial assets with credit risk characteristics that are similar and assesses it collectively for the purpose of verifying the impairment. Assets that are not evaluated individually for a write-down and for which impairment has been recognised or continues to be recognised, are not evaluated on a collective basis for impairment. If there is objective evidence of impairment, the amount of the loss is measured as a difference between the book value of the asset and the current value of the estimated future cash flows (excluding credit losses expected in the future that have not yet occurred).
The present value of cash flows is discounted at the initial effective interest rate of the financial asset. If a loan has a variable interest rate, the discount rate for the measurement of any possible impairment loss is the current effective rate of interest.
The book value of the asset is reduced directly and the amount of the loss is recognised in the income statement. Interest income continues to be estimated on reduced book value and is calculated applying the rate of interest used to discount future cash flows for the purposes of measuring impairment losses. Interest income is recognised as a part of financial income in the income statement. Loans and related provisions are written off when there are no realistic prospects of future recovery and when all the guarantees have been enforced or have been transferred to the Group. If in subsequent years the amount of the write-down is estimated to have increased or decreased as a consequence of an event that took place after the write-down was recognised, the previous write-down must be increased or decreased by adjusting the provision. If a future reversal is recovered at a later time, the recovered amount is credited to the income statement as a reduction in financial costs.

For available for sale financial assets, the Group measures on each balance sheet reference date whether there is objective evidence that an asset or a group of assets has become impaired.
In the case of instruments representative of capital classified as available for sale, the objective evidence should include a significant or prolonged reduction below its cost in the fair value of the instrument. The 'Significance' is measured with respect to the historical cost of the instrument and the 'prolonged' (the duration of the) period in which the fair value was below the historical cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value - any loss for impairment on that financial asset previously recorded in the income statement is deducted.
The impairment of instruments representing capital may not be reinstated and recognised in the income statement; the increases in their fair value following the impairment are reported directly in the other components of the comprehensive income statement.

Impairment of non-financial assets

On each balance sheet closing date, the Group assesses whether there are any indicators of impairment of non-financial assets.
When events take place that indicate a reduction in the value of an asset or in cases where annual verification of impairment is required, recoverability is verified by comparing the book value with the relevant recoverable value, the latter being the higher of fair value, net of disposal expenses, and value in use.
If there is no binding selling agreement, fair value is estimated on the basis of the values expressed by an active market, recent transactions or on the basis of the best available information in order to reflect the amount that the company could obtain from the sale of the asset.
Value in use is determined by discounting the expected cash flows from use of the asset and, if significant and reasonably determinable, from its disposal at the end of its useful life. Cash flows are determined on the basis of reasonable and documented assumptions which represent the best estimate of future economic conditions that will take place in the remaining useful life of the asset, with greater weight given to indications from outside the company. Discounting takes place at a rate that takes into account the risk inherent in the business area.
Valuation takes place for each individual asset or for the smallest identifiable group of assets that generates autonomously incoming cash flows from continuing use (cash generating unit). When the reasons for the write-downs cease to exist, the assets, except for goodwill, are revalued and the adjustment is allocated to the income statement as a write-back (reversal of an impairment loss). The write-back is made at the lower between recoverable value and gross book value of previous write-downs, decreased by the amortisation rate at which they would have been recognised if the write-down had not taken place.
Goodwill is checked for impairment at least once a year (at 31 December) and, more frequently when circumstances imply that the carrying value could have fallen.

The impairment of goodwill is calculated by assessing the recoverable value of the relevant cash generating unit (or group of cash generating units). Where the recoverable value of the cash generating unit is less than the carrying value of the cash generating unit to which the goodwill is allocated, an impairment is recognised. The impairment of the goodwill value cannot be restated in future financial years.

Share capital

The costs for the issuing of shares or options are classified in shareholders' equity (net of the physical benefit connected to them) as a deduction of profits deriving from the issuing of these instruments.
For buybacks of treasury shares, the price paid, including any directly attributable ancillary expenses, is deducted from the Group shareholders' equity until the time of elimination, reissuing or sale of the shares. When treasury shares are resold or reissued, the price collected, net of any directly attributable ancillary expenses and the relevant tax effect, is recognised as Group shareholders' equity.

Earnings per share

Basic and diluted

Basic earnings per share are calculated by dividing the Group's net profit by the weighted average of the ordinary shares outstanding during the financial year, excluding treasury shares.
For the purpose of the calculation of diluted earnings per share, the weighted average of outstanding shares is modified assuming the conversion of all the potential shares having a dilution effect, while the Group's net profit is adjusted to take account of the effects, net of tax, of the conversion.

Financial liabilities

Financial liabilities that fall within the scope of application of IAS 39 are classified as financial liabilities at fair value recognised in the income statement, or as financial payables or derivatives designated as hedging instruments, as the case may be. The Group's financial liabilities include trade payables and other payables, loans and derivative financial instruments. The Group determines the classification of its financial liabilities at the time of initial recognition.
Financial liabilities are initially carried at fair value, which is equal to the consideration received on the settlement date to which are added, in the case of financial payables, directly attributable transaction costs.
Subsequently, non-derivative financial liabilities are measured on the basis of the depreciated cost criterion using the effective interest rate method.
Amortised cost is calculated by recognising every discount or premium on the acquisition and the fees and costs that are an integral part of the effective interest rate. Amortisation at the actual interest rate is included among financial expenses in the income statement.
Profits and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Derecognition of financial liabilities

Financial liabilities are derecognised from the balance sheet when the obligation underlying the liability has been extinguished, cancelled or fulfilled. When an extinguished financial liability has been replaced by another from the same lender, at terms and conditions that are essentially different, or the conditions attached to a liability in existence are essentially modified, this exchange or modification is treated as a derecognition of the original liability and recognition of a new liability, with a consequent recognition in the income statement of any differences between book values.

Employee benefits

Employee Severance Indemnity is part of what IAS 19 defines as defined benefit plans, as part of benefits after employment termination. The accounting treatment provided for these types of remuneration requires an actuarial calculation that makes it possible to project into the future the amount of the already accrued

employee severance indemnity and discount it to take into account the time that will elapse prior to actual payment. The actuarial calculation considers some variables such as average permanence of employees, level of inflation and expected interest rates. Liabilities are measured by independent actuaries. Following the amendments to IAS 19, which were applicable for the financial years commencing on or after 1 January 2013, the profits and losses from the actuarial calculation of defined benefit plans are recognised in the comprehensive income statement entirely in the period they refer to.
These actuarial profits and losses are classified directly in retained earnings and are not reclassified in the income statement in subsequent reporting periods. Past service cost is recognised on the earliest of the following dates:

- date on which an amendment or reduction of the plan takes place;
- date on which the Group recognises the related restructuring costs.

The Group recognises the following changes in the net obligations for defined benefit plans in the statement of profit/(loss) for the reporting period by nature:

- costs for work provided, including costs for current and past work provided, profits and losses on non-routine reductions and extinctions; and
- net interest income or interest expenses.

The asset or liability relating to defined benefits includes the present value of the defined benefit obligation after the fair value of the asset servicing the plan is deducted.
Finally, it should be noted that, following the 2007 reform of the national legislation that governs it, for companies with more than 50 employees, the employee severance indemnity accrued from 1 January 2007 is to be considered a defined contribution plan, the payments of which are recognised directly in the income statement, as a cost, when they are incurred. Employee severance indemnity accrued up to 31 December 2006 remains as a defined benefit plan, without future contributions. Therefore, its measurement is made by independent actuaries based only on the average expected residual working life of the employees, without considering the remuneration earned by them during a predetermined service period. Employee severance indemnity "accrued" prior to 1 January 2007 therefore undergoes a change in calculation due to the fact that the previously required actuarial assumptions which are connected to salary increases no longer apply. In particular, the liability connected to "accrued employee severance indemnity" is assessed for actuarial purposes as at 1 January 2007 without an application of pro-rata (years of service already served/total years of service) since the total benefits of the employees to 31 December 2006 can be considered as almost completely accrued (except for revaluation) in application of paragraph 67 (b) of IAS 19. It follows that, for the purposes of this calculation, "current service costs" relating to future work of the employees are to be considered as null as they consist of contributions to a supplementary retirement benefit plan of the INPS Treasury Fund.

Provisions for risks and charges

Provisions for risks and charges are costs and expenses of a definite nature that are certain or likely to be incurred but which at the end of the year could not be quantified or timed. Provisions are recognised when:

(i) the existence of an actual, legal or implicit obligation deriving from a past event is probable;
(ii) it is probable that the fulfilment of an obligation will be onerous;
(iii) the amount of the obligation can be reliably estimated.

Provisions are recognised at the amount representing the best estimate of the total that the company would reasonably pay to settle the obligation, or transfer it to third parties at year-end. When the financial effect of time is significant and the payment dates of the obligations are estimated reliably, the provision is discounted; the increase of the provision linked to the passing of time is allocated to income statement under "Financial income (expenses)". The supplementary client indemnity provisions have been set aside on the basis of reasonable estimates, as have other provisions for risks and charges, taking into consideration the available elements for the probable future liability.

Income taxes

The taxes for the period represent the sum of current and deferred taxes.

Current taxes are determined on the basis of a realistic forecast of the charges to be settled in application of applicable tax laws or which have been essentially approved on the period closing date in the various countries in which the Group operates. The relevant payable is recorded net of any deferred tax assets, withholdings made and tax credits which can be offset, under the item "Tax payables". In the event of a receivable, the amount is recorded under "Receivables from others" of current assets.
Deferred tax assets and liabilities are calculated on the temporary differences between the values of the assets and liabilities recognised in the balance sheet and the corresponding amounts recognised for tax purposes.

Deferred tax liabilities are recognised against all temporary taxable differences, with the following exceptions:

- the deferred tax liabilities originate from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not have any effects either on balance sheet profits or the profit and loss calculated for tax purposes;
- the reversal of taxable temporary differences, associated with equity investments in subsidiaries, associated companies and joint ventures, can be controlled and it is probable that this will not take place in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and for tax credits and losses which are unused and carried forward, to the extent that there will be adequate future tax profits that could make possible the use of deductible temporary differences and tax credits and losses carried, except if:

- deferred tax assets connected to deductible temporary differences arise from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not affect either balance sheet results or profit or loss for tax purposes;
- taxable temporary differences associated with equity investments in subsidiaries, associated companies and joint ventures and deferred tax assets are recognised only to the extent that temporary deductible differences will be reversed in the foreseeable future and there are adequate tax profits against which the temporary differences can be used.

Recognition of deferred tax assets takes place when their recovery is probable. The value of deferred tax assets is re-examined on each closing date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available. Deferred tax assets and deferred tax liabilities are classified among non-current assets and liabilities and are netted if they refer to taxes that can be offset. The balance of the netting, if it is an asset, is recognised under the item "Deferred tax assets"; if it is a liability it is recognised under the item "Deferred tax liabilities". When the results of transactions are recognised directly in equity, current taxes, deferred tax assets and deferred tax liabilities are also recognised under equity or in the statement of comprehensive income consistently with the recognition of the element to which they refer.
Deferred tax assets or deferred tax liabilities are calculated on the basis of the tax rate that is expected to be applied in the year in which these assets will be realised or these liabilities will be extinguished.

Criteria for converting foreign currency items and translation of financial statements in foreign currency

Transactions and balances

Foreign currency transactions are initially recorded in the functional currency by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated to the functional currency at the exchange rate at the date of the financial statements.
Exchange rate differences are recognised in the income statement, including the exchange rate differences realised when settlement is made of the receivables and payables in foreign currency, which are recognised in the income statement, except for monetary elements that constitute part of the hedge of a net investment in a foreign operation. These differences are initially recognised in the statement of comprehensive income until the disposal of the net investment, and only then will they be recognised in the income statement. Taxes and

tax receivables attributable to the exchange rate differences on the monetary elements must also be recognised in the statement of comprehensive income.
Non-monetary items valued at their historical cost in a foreign currency are converted using the exchange rate applicable on the initial recognition date of the transaction. Non-monetary items recognised at fair value in a foreign currency are converted using the exchange rate applicable on the date that value was determined. Profit and loss from the reconversion of non-monetary items is handled in line with the recognition of profits and losses relating to changes in fair value of these items (conversion differences on items the fair value of which is recognised in the statement of comprehensive income or the income statement are recognised in the comprehensive income statement or the income statement, respectively).

Group companies

The Cremonini Group's consolidated financial statements are prepared in euro, which is the Parent Company's functional currency and that used for presentation.
The balances included in the financial statements of each of the Group's companies are recorded in the currency of the primary economic environment where the company operates (functional currency).
The rules for translation of the financial statements expressed in foreign currencies into the presentation currency are the following:

- assets and liabilities included in the financial statements, even if only for comparative purposes, are translated at the exchange rate at the year-end;
- the costs and revenues, charges and income, included in the financial statements, even if only for comparative purposes, are translated at the average exchange rate of the period presented;
- the components of the shareholders' equity, excluding the profit for the period, are translated at historic exchange rates;
- the "translation reserve" includes both the exchange rate differences generated from the translation of the magnitudes at a different rate from that of the year-end, and those generated from the translation of the opening shareholders' equities at an exchange rate different from that of the year-end;
- on disposal of a foreign operation, the part of the comprehensive income statement referring to such foreign operation is recognised in the income statement.

The above provisions do not fall within the scope of application of IAS 29 – *Financial Reporting in Hyperinflationary Economies*, which requires appropriately restated amounts in the balance sheet and income statement to be translated into the European reporting currency at the exchange rate prevailing on the closing date of the financial period.

The exchange rates utilised for the translation into euro of the financial statements of foreign subsidiaries that do not use the European currency (euro) were the following:

Currency	Year-end exchange rate		Average exchange rates	
	2021	2020	**2021**	2020
Dollars (USA)	1,13260	1,22710	1,18274	1,14220
Dinars (Algeria)	157,40770	162,10710	159,65267	144,84728
Readjustado Kwanza (Angvla)	635,08200	800,34500	743,84711	661,86833
New Metical (Mozambique)	72,50000	91,70000	77,53826	79,27922
Renminbi (China)	7,19470	8,02250	7,62823	7,87470
Roubles (Russia)	85,30040	91,46710	87,15272	82,72480
Pounds (United Kingdom)	0,84028	0,89903	0,85960	0,88970
Zlovty (Poland)	4,59690	4,55970	4,56518	4,44305

Business combinations

Business combinations are accounted for using the acquisition method (IFRS 3R). Acquisition cost is determined as the sum of the consideration transferred, measured at fair value on the acquisition date, and the amount of any minority shareholdings acquired. For each business combination, any minority shareholdings in the acquired company must be measured at fair value or in proportion to the share of the minority shareholdings in the identifiable net assets of the acquired company. Acquisition costs are charged to and classified among administrative costs.

If the business combination takes place in multiple phases, the fair value of the previously held equity investment is recalculated at fair value on the acquisition date, with recognition in the income statement of any profit or loss resulting thereof.

Any potential consideration is recognised by the purchaser at fair value on the acquisition date. Change in fair value of the potential consideration classified as a financial asset or liability, will be recognised pursuant to IFRS 9, in the income statement or other comprehensive income components. If it does not fall within the scope of application of IAS 39, it will be accounted for based on IAS 37 or the most appropriate IFRS.

If the potential consideration is classified in shareholders' equity, its value is not recalculated until its extinction is accounted for against shareholders' equity.

Goodwill is initially measured at the cost that emerges as excess of the sum of consideration paid and amount recognised for minority interests, against identifiable net assets acquired and liabilities assumed by the Group. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the differences are recognised in the income statement.

After initial recognition, goodwill is carried at cost less any accumulated impairment losses. For the purposes of verifying impairment, goodwill acquired in a business combination must, on the acquisition date, be allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entities are assigned to this unit or not.

If goodwill is allocated to a cash generating unit and the entity disposes of part of the assets of that unit, the goodwill associated to the assets disposed of must be included in the assets' book value when the profit or loss arising from the disposal is determined. Goodwill associated with a disposed asset must be determined on the basis of the relative values of the disposed asset and the part of the cash generating unit which is maintained.

Recognition of revenues

Revenues from the sale of products are recognised at the time that all the risks and expenses deriving from ownership of the assets are transferred, this coinciding with the delivery or shipment thereof.

Revenues from services are recognised on the basis of their degree of completion.

Income of a financial nature is recognised on an accruals basis. For all financial instruments measured at amortised cost, interest income is recognised using the actual interest rate, which is the rate that exactly discounts future payments and collections, estimated on the basis of the expected life of the financial instrument.

Dividends

Dividends are recognised in the income statement at the date on which the right to receive them arises, i.e. when, based on locally applicable laws, the shareholders are entitled to receive payment, a date which normally coincides with the approval date by the shareholders' meeting, or authorisation by the local monetary authority which approves expatriation thereof.

Recognition of costs

Costs are recognised when they refer to goods and services which are acquired and/or received during the reporting period.

Rents payable for operating leases are allocated to the income statement according to the accruals principle.

Finance lease payments are allocated, as to the principal amount, to reduction of the financial debt, and as to interest to the income statement.

Expenses of a financial nature and services are recognised on an accruals basis. For all financial instruments measured at amortised cost, interest income is recognised using the actual interest rate, which is the rate that exactly discounts future payments and collections, estimated on the basis of the expected life of the financial instrument.

Segment Information

A segment is defined as an area of activity or geographic area in which the Group's operations take place, characterised by conditions and risks that are different from those of other segments. In particular, the sectors of a business represent the Group's primary sectors identified as follows: Production, Distribution, Catering and Centralised Activities. Geographical areas (secondary sectors) have been identified in Italy, the European Union and the Non-EU countries.
Key summary data by segment of activity are shown below:

Breakdown of revenues by sector

(Euro/000)	**Year 2021**	Year 2020	Change total value	Change %
Production				
Net revenues	2.256.428	2.035.743	220.685	10,84
Intercompany revenues	131.403	85.741		
Total revenues	2.387.831	2.121.484	266.347	12,55
Gross operating margin	175.288	166.223	9.065	5,45
Amortization, depreciation and write-downs	(71.210)	(69.523)	(1.687)	2,43
Operating profit (loss)	104.078	96.700	7.378	7,63
Distribution				
Net revenues	1.415.413	1.036.577	378.836	36,55
Intercompany revenues	40.863	37.100		
Total revenues	1.456.276	1.073.677	382.599	35,63
Gross operating margin	90.491	39.465	51.026	129,29
Amortization, depreciation and write-downs	(32.749)	(36.316)	3.567	(9,82)
Operating profit (loss)	57.742	3.149	54.593	1.733,66
Catering				
Net revenues	403.193	334.139	69.054	20,67
Intercompany revenues	205	265		
Total revenues	403.398	334.404	68.994	20,63
Gross operating margin	51.076	41.185	9.891	24,02
Amortization, depreciation and write-downs	(76.965)	(88.449)	11.484	(12,98)
Operating profit (loss)	(25.889)	(47.264)	21.375	(45,22)
Centralized activities				
Net revenues	2.023	1.791	232	12,95
Intercompany revenues	11.077	10.199		
Total revenues	13.100	11.990	1.110	9,26
Gross operating margin	(1.410)	(496)	(914)	n/a
Amortization, depreciation and write-downs	(3.194)	(3.277)	83	n/a
Operating profit (loss)	(4.604)	(3.773)	(831)	n/a
Consolidation adjustment				
Total revenues	*(183.548)*	*(133.305)*		
Gross operating margin	*0*	*0*		
Amortization, depreciation and write-downs	*0*	*0*		
Operating profit (loss)	*0*	*0*		
Total				
Total revenues	4.077.057	3.408.250	668.807	19,62
Gross operating margin	315.445	246.377	69.068	28,03
Amortization, depreciation and write-downs	(184.118)	(197.565)	13.447	(6,81)
Operating profit (loss)	131.327	48.812	82.515	169,05

Breakdown of revenues from sales and services by geographic area

Year 2021 - (Euro/000)	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	1.414.899	63,2	1.292.440	93,6	323.971	89,6	1.515	86,7	3.032.825	76,2
European Union	274.373	12,3	55.333	4,0	9.321	2,6	214	12,2	339.241	8,5
Extra-EU countries	547.872	24,5	33.105	2,4	28.229	7,8	19	1,1	609.225	15,3
Total	2.237.144	100,0	1.380.878	100,0	361.521	100,0	1.748	100,0	3.981.291	100,0

Year 2020 - (Euro/000)	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	1.325.887	66,3	936.748	92,5	263.255	87,1	1.397	100,0	2.527.287	76,2
European Union	218.505	10,9	38.960	3,8	38.971	12,9	-	-	296.436	8,9
Extra-EU countries	456.318	22,8	36.689	3,7	-	-	-	-	493.007	14,9
Total	2.000.710	100,0	1.012.397	100,0	302.226	100,0	1.397	100,0	3.316.730	100,0

Consolidated balance sheet broken down by business sector

As at 31 December 2021 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	35.332	155.064	50.574	27	-	240.997
Tangible assets	735.769	73.449	335.110	80.604	-	1.224.932
Right of use	13.068	72.015	236.856	-	-	321.939
Equity investments and other financial assets	34.188	2.622	4.022	1.138	-	41.970
Total fixed assets	**818.357**	**303.150**	**626.562**	**81.769**	**0**	**1.829.838**
Trade net working capital						
- Trade receivables	315.283	319.510	12.227	6.018	(57.825)	595.213
- Inventories	338.533	199.771	13.378	44	561	552.287
- Trade payables	(288.379)	(332.561)	(90.372)	(11.713)	58.952	(664.073)
Total trade and net working capital	**365.437**	**186.720**	**(64.767)**	**(5.651)**	**1.688**	**483.427**
Other current assets	39.509	31.623	62.253	27.133	(33.783)	126.735
Other current liabilities	(66.748)	(28.592)	(41.023)	(26.978)	32.095	(131.246)
Net working capital	**338.198**	**189.751**	**(43.537)**	**(5.496)**	**0**	**478.916**
Staff Severance Indemnity Provision and other m/l-term provisions	**(51.428)**	**(14.136)**	**(6.277)**	**(4.332)**	**-**	**(76.173)**
Net invested capital	**1.105.127**	**478.765**	**576.748**	**71.941**	**0**	**2.232.581**

As at 31 December 2020 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	40.508	145.160	52.521	45	-	238.234
Tangible assets	676.779	71.608	328.096	81.976	-	1.158.459
Right of use	16.736	51.849	223.968	-	-	292.553
Equity investments and other financial assets	30.054	2.725	5.044	1.094	(1)	38.916
Total fixed assets	**764.077**	**271.342**	**609.629**	**83.115**	**(1)**	**1.728.162**
Trade net working capital						
- Trade receivables	193.121	296.180	21.263	13.348	(20.827)	503.085
- Inventories	310.122	134.532	10.895	1	250	455.800
- Trade payables	(248.806)	(195.534)	(67.368)	(6.838)	18.408	(500.138)
Total trade and net working capital	**254.437**	**235.178**	**(35.210)**	**6.511**	**(2.169)**	**458.747**
Other current assets	30.137	39.989	63.848	24.519	(28.896)	129.597
Other current liabilities	(66.001)	(13.699)	(29.770)	(17.188)	31.067	(95.591)
Net working capital	**218.573**	**261.468**	**(1.132)**	**13.842**	**2**	**492.753**
Staff Severance Indemnity Provision and other m/l-term provisions	**(46.709)**	**(14.640)**	**(13.187)**	**(3.482)**	**-**	**(78.018)**
Net invested capital	**935.941**	**518.170**	**595.310**	**93.475**	**1**	**2.142.897**

Net consolidated debt broken down by sector

As at 31 December 2021 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(243.573)	(103.088)	(154.697)	(6.806)	(508.164)
- due between 1 and 5 years	(308.294)	(119.395)	(70.142)	(32.737)	(530.568)
- due beyond 5 years	(24.476)	(99.936)	(42.477)	(4.108)	(170.997)
Total payables to banks, bonds and other financial institutions	**(576.343)**	**(322.419)**	**(267.316)**	**(43.651)**	**(1.209.729)**
Liquidity					
- cash and cash equivalents	45.951	249.994	24.387	23.159	343.491
- other financial assets	13.064	-	540	-	13.604
Total liquidity	**59.015**	**249.994**	**24.927**	**23.159**	**357.095**
Securitization and internal treasury current accounts	**2.878**	**5.787**	**(20.785)**	**12.120**	**0**
Total net debt before IFRS 16	**(514.450)**	**(66.638)**	**(263.174)**	**(8.372)**	**(852.634)**
Financial liabilities right of use					
- within 12 months	(6.422)	(10.074)	(50.943)	-	(67.439)
- between 1 and 5 years	(7.322)	(33.394)	(182.827)	-	(223.543)
- beyond 5 years	-	(31.324)	(53.187)	-	(84.511)
IFRS 16 effects on net debt	**(13.744)**	**(74.792)**	**(286.957)**	**0**	**(375.493)**
Total net debt	**(528.194)**	**(141.430)**	**(550.131)**	**(8.372)**	**(1.228.127)**

As at 31 December 2020 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(246.251)	(167.468)	(113.549)	(24.132)	(551.400)
- due between 1 and 5 years	(202.637)	(228.455)	(159.934)	(19.979)	(611.005)
- due beyond 5 years	(46.876)	(842)	(49.294)	-	(97.012)
Total payables to banks, bonds and other financial institutions	**(495.764)**	**(396.765)**	**(322.777)**	**(44.111)**	**(1.259.417)**
Liquidity					
- cash and cash equivalents	94.436	251.491	36.693	1.611	384.231
- other financial assets	8.694	626	686	-	10.006
Total liquidity	**103.130**	**252.117**	**37.379**	**1.611**	**394.237**
Securitization and internal treasury current accounts	**2.624**	**5.794**	**2.564**	**(10.982)**	**0**
Total net debt before IFRS 16	**(390.010)**	**(138.854)**	**(282.834)**	**(53.482)**	**(865.180)**
Financial liabilities right of use					
- within 12 months	(5.811)	(8.528)	(41.828)	-	(56.167)
- between 1 and 5 years	(11.387)	(24.030)	(164.028)	-	(199.445)
- beyond 5 years	-	(20.904)	(51.195)	-	(72.099)
IFRS 16 effects on net debt	**(17.198)**	**(53.462)**	**(257.051)**	**0**	**(327.711)**
Total net debt	**(407.208)**	**(192.316)**	**(539.885)**	**(53.482)**	**(1.192.891)**

Major assumptions adopted by Management and discretionary valuations

The application of generally accepted accounting principles to the preparation of financial statements and interim financial reports requires that the management make accounting assumptions based on complex and/or subjective judgements, estimates based on past experience and assumptions which are considered reasonable and realistic based on the information which is known at the time the estimate is made. The use of these accounting assumptions influences the carrying value of assets and liabilities and the disclosures on contingent assets and liabilities as at the balance sheet date, as well as the amount of revenues and costs in the reporting period. The actual results may differ from the estimated ones due to the uncertainty that characterises the assumptions and conditions on which the estimates are based. Below are accounting assumptions made during the drafting of the financial statements and interim reports, which are critical

because they are based on highly subjective assumptions and estimates with regard to issues which by their very nature are uncertain. Changes in the conditions on which the adopted judgements, assumptions and estimates are based may have a significant impact on subsequent results.
Below are the main estimates and assumptions adopted by the Management for the preparation of these annual financial statements; any changes thereto, which cannot be anticipated at this time, may affect the Group's income and equity.

- Estimates adopted for the measurement of asset impairment

For the purpose of verifying any impairment of goodwill recognised in the accounts, the Group has adopted the methodology described in the paragraph "Impairment of assets".
The recoverable value was calculated based on the calculation of the value in use.
The cash flows of cash generating units attributable to each unit of goodwill/consolidation difference were taken from the Budget for 2021 and from estimates by the Company Management for the subsequent years using constant rates of growth greater than the scheduled inflation rates. The weighted average cost of capital (WACC) was used as the discount rate, in the amount of:

- 8.1% for the valuation of the goodwill of Chef Express S.p.A.;
- 6.5% for the valuation of the goodwill of INALCA S.p.A.;
- 6.43% for the valuation of the goodwill of MARR S.p.A..

Any impairments of assets were measured (impairment tests on goodwill) annually as at 31 December 2021.

- Estimates used in the actuarial calculation for determining defined benefit - Post-employment benefit plans

The measurement of the post-employment benefits liability was carried out by an independent actuary based on the following assumptions:

- discounting rate, which is different for each company, is a function of the duration of the plan (0.98% for terms exceeding 10 years, 0.44% for terms of between 7 and 10 years, 0.29% for terms of between 5 and 7 years);
- the anticipated inflation rate is 1.75%;
- the anticipated annual rate of increase in post-employment benefits is 2.8125%;
- annual rate of salary increase is different for each company;
- the annual rate of frequency of post-employment benefits advances is anticipated as 3.0%;
- the turnover of employees was 6.5%;

- Estimates adopted in the actuarial calculation of Provisions for supplementary clientele severance indemnity

Provisions for supplementary clientele severance indemnity liabilities were valued by an independent actuary using the following assumptions:

- the voluntary turnover rate is 13% for MARR S.p.A., 11% for Italia Alimentari S.p.A., 5% for New Catering S.r.l.
- the company turnover rate is 2% for MARR S.p.A., 4% for Italia Alimentari S.p.A. and 7% for New Catering S.r.l.
- a discount rate of 0.29%.

Deferred taxes

Deferred tax assets are recognised against all tax losses carried forward, in the amount adequate future taxable profits against which these losses may be used are likely. Directors are required to use their discretion in their measurement of the amount of deferred tax assets which can be recognised. They must estimate the likely time and amount of future taxable profits and a planning strategy of future taxes.

- <u>Others</u>

The following financial statement elements are affected by estimates and assumptions made by Management:

- inventory obsolescence
- depreciation and amortisation
- valuation of other assets.

Financial risk management

The main risks identified, monitored and actively managed by the Cremonini Group are the following:

- Market risk: arising from the Group's exposure to interest rate and exchange rate fluctuations and to price volatility of the products and services sold;

- Credit risk: arising from the possibility of insolvency of a debtor counterparty;

- Liquidity risk: arising from the lack of financial resources with which to cover short-term financial commitments.

The Cremonini Group uses derivative financial instruments to hedge the exposure to exchange and interest rate risks. Nevertheless, in the cases where the derivative financial instruments do not meet all the conditions provided for the accounting treatment of the hedging derivative financial instruments (hedge accounting), these are booked at the fair value with a contra entry to the income statement.

Market risk

Market risk consists in the possibility of changes in exchange rates, interest rates or the prices of products adversely affecting the value of assets, liabilities or estimated cash flows.

Exchange Rate Risk

The Cremonini Group, operating internationally, is structurally exposed to changes in exchange rates that affect the financial flows that originate from operations and loan transactions in currencies other than the European currency (euro).
The Group reports transactions settled mainly in US Dollars, Russian Roubles, Angolan Kwanza; the Group is exposed to other currencies such as Algerian dinars, pounds Sterling, Mozambican Metical, Australian Dollar, Canadian Dollar, Cape Verde Escudo, Thailand Bath, Hong Kong Dollar, Malaysian Ringgit, Chinese Renminbi, Turkish Lira, Kazakh Tenge and Polish Zloty.

The exchange rate changes have affected:

- the financial result, as an effect of the significantly different costs and revenues in foreign currencies with respect to the time when the price conditions were defined, and as an effect of the translation of trade or financial receivables and payables denominated in foreign currencies;
- the financial result and shareholders' equity of the consolidated financial statements, as an effect of the translation of the assets and liabilities of the companies that prepare their financial statements in a foreign currency other than the euro.

The risk deriving from the formation of the income for the financial year in a foreign currency or the translation of the assets and liabilities of the companies that prepare their financial statements in a foreign currency other than the euro is not as a norm hedged, except for a specific different valuation.

Sensitivity analysis

At 31 December 2021, the effects of an appreciation or depreciation of the euro of 5% against the foreign currencies in which the Group operates are shown in the following table:

Effects on the pre-tax result:

(Euro/000)	Eurv 5% Appreciativn	Eurv 5% Depreciativn
US - Dollars	(1.430)	1.581
GB - Pounds	(20)	22
AU - Australian dollars	-	-
Angola - Readjustadv Kwanza	(771)	852
Russia - Roubles	(393)	435

In the case of a more realistic depreciation of the Russian Rouble, profit (loss) before tax would be reduced by Euro 3,443 thousand, even after considering the performance in March 2022 and thus assuming a quotation of 150 Roubles per Euro.

Interest rate risk

The Cremonini Group, as is evident from the net debt, is exposed to the risk of fluctuation in interest rates that affect the market value of financial assets and liabilities, and the amount of financial charges.
At Group level, the medium/long-term loans and finance leases, at 31 December 2021, are, for about 64%, stipulated with variable interest rates exposing the Group to the risk of a change in future cash flows while the fixed rate loans expose the Group to the risk of a change of the fair value of the loans themselves.

Sensitivity analysis

As at 31 December 2021 a hypothetic increase of 1% of the EURIBOR, as with all the other variables, would have determined a higher pre-tax charge (and therefore a corresponding reduction of the shareholders' equity) of about Euro 7,047 thousand on an annual basis (a higher pre-tax charge of about Euro 9,849 thousand at 31 December 2020).

Price risk

The reduction of the prices of the products and services sold generally leads to a reduction in the operating results and vice versa. The Group, which operates worldwide, is exposed to the fluctuations of prices that are also affected by the normal seasonality that characterises the individual sectors. These risks are managed directly by the individual companies through the diversification of the sources of procurement and through the following-up of the stability of the margins implemented with an optimal prices policy.

Credit risk

The credit risk represents the Group's exposure to potential losses deriving from the counter party's failure to meet obligations assumed and is evaluated both in commercial terms, i.e., correlated to the customer typologies and to the contractual terms and concentration of the sales, and in financial terms connected to the typology of the counter parties used in financial transactions.
The Group's operating practices allow control of the credit risk, through a procedure that monitors the merit classes of the customers that request deferment of payments, thus limiting sales of products and/or services to customers without an adequate level of credit line and guarantees. The monitoring of the customer is based on collection of data and information on new customers and supervision of the evolution of individual credit positions. Furthermore, the receivables balance is monitored during the financial year to ensure that the delinquent positions are not significant.
The credit risk is also mitigated by the fact that there are no major expositions due to a concentration of positions, in view of the multiple numbers of customers and particularly distributed turnover. With regard to

the financial counterparty risk deriving from the use of liquidity, the Group implements policies that limit the loan exposure with the individual financial institutions.
Management of trade credit is the responsibility of the Customers Office, Debt Recovery Office and Disputes Management based on formalised valuation procedures for commercial partners' credit lines, including the recovery of receivables and eventual management of the disputes. This procedure permits the definition of those rules and operational mechanisms that ensure the generation of a payments flow such as to guarantee Cremonini S.p.A. customer solvability and the profitability of the relationship.
At the reference date of the financial statements, the maximum exposure to the credit risk is equal to the value of each category of the receivables indicated below:

(Euro/000)	**31.12.2021**	31.12.2020
Current trade receivables	590.584	491.313
Other non-current assets	42.714	54.414
Other current assets	80.760	69.969
Total	**714.058**	**615.696**

The fair value of the above categories is not indicated as the carrying value represents a reasonable approximation. The value of the Trade receivables, Other non-current assets and Other current asset items are classifiable as "Level 3" financial assets, or rather those where the inputs are not are based on observable market data.
Please refer to point 12 of the explanatory notes to the financial statements for information regarding the maximum exposure to credit risk.

Liquidity risk

The liquidity risk represents the risk that, due to the incapacity of raising new funds or liquidate assets in the market, the company cannot meet its payment obligations, determining an impact on the economic result in the case where the company is obliged to sustain additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that places the company's activities at risk.

The Group systematically respects the maturities of its commitments, a conduct which allows to operate in the market with the necessary flexibility and reliability for the purpose of maintaining a correct balance between the supply and use of financial resources.
The Group manages the liquidity risk through prudent control of the necessary cash and cash equivalents for the normal conduct of operations and availability of credit lines that guarantee a satisfying level of resources sufficient to cover any financial necessities. These controls mainly take place through the constant monitoring by the centralised treasury of the receipts and payments flows of all the companies, pursuing the maintenance of a balance in terms of duration and composition of the payables. This specifically allows the monitoring of the resources flows generated and absorbed by normal operations. With regard to management of the resources absorbed by the investment activities, it is generally preferred to find sources through specific long-term loans.

The table below analyses the financial liabilities and derivative financial liabilities on the basis of the contractual maturities as at the date of the financial statements. It is noted that the amounts indicated do not reflect the carrying values (with the exception of the balances within 12 months, for which the book balances reflect reasonable estimates of the financial flows, given the insignificance of the discounting effect) as they are not discounted. The financial flows from variable rate loans were estimated utilising the average rate of indebtedness at the reference date of the financial statements.

(Euro/000)	Within 12 months	1-5 years	Over 5 years	Total
At 31 December 2021				
Financial payables	504.695	559.825	170.996	1.235.516
Financial instruments / Derivatives	468	0	-	468
Trade Liabilities	720.944	-	-	720.944
	1.226.107	**559.825**	**170.996**	**1.956.928**
At 31 December 2020				
Financial payables	550.089	639.820	97.013	1.286.922
Financial instruments / Derivatives	(978)	1.706	-	728
Trade Liabilities	546.496	-	-	546.496
	1.095.607	**641.526**	**97.013**	**1.834.146**

Classes of financial instruments

The following elements are recognised in conformity with the accounting standards relating to financial instruments:

Balance Sheet Assets 2021	Financial assets at amortised cost	Assets at FVPL	Assets at FVOCI	Total
Financial assets held for sale	13.194	-	-	**13.194**
Financial instruments / Derivatives	0	-	-	**-**
Non-current financial receivables	16.973	-	-	**16.973**
Other non-current receivable items	42.714	-	-	**42.714**
Current financial receivables	12.798	-	-	**12.798**
Current trade receivables	590.584	-	-	**590.584**
Current tax receivables	254	-	-	**254**
Current financial assets held for sale	0	-	817	**817**
Current derivative financial instruments	44.091	-	-	**44.091**
Cash and cash equivalents	343.491	-	-	**343.491**
Other current receivable items	80.760	-	-	**80.760**
Total	**1.144.859**	**-**	**817**	**1.145.676**
Balance Sheet Assets 2020				
Financial assets held for sale	2.347	-	-	**2.347**
Financial instruments / Derivatives	-	-	1.818	**1.818**
Non-current financial receivables	28.196	-	-	**28.196**
Other non-current receivable items	54.414	-	-	**54.414**
Current financial receivables	7.756	-	-	**7.756**
Current trade receivables	491.313	-	-	**491.313**
Current tax receivables	174	-	-	**174**
Current financial assets held for sale	93	-	-	**93**
Current derivative financial instruments	38.546	-	-	**38.546**
Cash and cash equivalents	384.231	-	-	**384.231**
Other current receivable items	69.969	-	-	**69.969**
Total	**1.077.039**	**-**	**1.818**	**1.078.857**

Balance Sheet Liabilities 2020	Liabilitiea at amortised cost	Liabilities at FVPL	Liabilities at OCI	Total
Non-current financial receivables	730.821	-	-	**730.821**
Non-current financial receivables - Right of use	308.054	-	-	**308.054**
Non-current derivative financial instruments	-	-	-	**-**
Other non-current receivable items	504.695	-	-	**504.695**
Other non-current receivable items - Right of use	67.439	-	-	**67.439**
Current financial receivables	-	-	349	**349**
Total	**1.611.009**	**-**	**349**	**1.611.358**
Balance Sheet Liabilities 2019				
Non-current financial payables	736.833	-	-	**736.833**
Non-current financial payables - Right of use	271.544	-	-	**271.544**
Current financial payables	-	-	112	**112**
Derivative financial instruments	550.089	-	-	**550.089**
Derivative financial instruments - Right of use	56.167	-	-	**56.167**
Derivative financial instruments	66	-	1.005	**1.071**
Total	**1.614.699**	**-**	**1.117**	**1.615.816**

In conformity with the requirements of the changes introduced to IFRS 13, we indicate that the derivative financial instruments, constituting hedging contracts on exchange and interest rates, are classifiable as "Level 2" financial assets, as the input having a significant effect on the fair value recorded are figures directly observable on the market[1].
Similarly, non-current borrowings, whose recognition at fair value is reported in paragraph 18 of these explanatory notes, can also be classified as "Level 2" financial assets, since the inputs that affect their fair value are market data that can be observed directly.

With regard to the "Other current and non-current assets" items, you are referred to the indications in paragraphs 9 and 16 of these explanatory notes.

Capital management policy

The Company's primary aim, regard capital management, is to obtain an appropriate level of entity in relation to debt, with the purpose of maintaining equity solidity and achieve a functional debt/equity ratio for the purpose of adequate management of the financial leverage.

For the purpose of reaching these objectives, the company, in addition to the pursuit of satisfactory economic results and the generation of cash flows, can intervene on the dividends policy and configuration of the company's capital.

The main indicators that the company uses for capital management are:

1) R.O.S. (Return on sales);
2) R.O.I. (Return on investments);
3) R.O.A.C.E. (Return on Average Capital Employed);
4) R.O.E. (Return on equity);
5) Net Debt / Equity;
6) Net Debt /EBITDA.

[1] The company identifies "Level 1" financial assets and liabilities as being those whose inputs having a significant effect on measured fair value are prices quoted in an active market for similar assets and liabilities and "Level 3" assets and liabilities as being those whose inputs are not based on observable market data.

Information included in the Directors' Report

With respect to the nature of the Group's business activities, the events of significance occurring after the end of the financial year, relationships with Group companies and related companies together with other information relating to the different business sectors in which the Group operates, please refer to the Directors' Report.

Details of the main items of the consolidated statement of financial position

ASSETS

Non-current assets

Specific statements have been prepared for the categories of non-current assets (intangible, tangible assets and rights of use) which have been attached respectively in annexes 3, 4 and 5, which indicate for each item the historic cost, previous amortization and depreciation, changes over the period and final balances.

For a better comprehension of the following tables it is noted that in the column "Changes in the scope of the consolidation" the effects are shown of the entry into the scope of consolidation of the subsidiaries Dolfen S.r.l., Macello di Parma S.r.l., Antonio Verrini S.r.l., Chef S.r.l. Unipersonale, Royi Wine & Spirit (China) LTD, Royi Wine (Shanghai) LTD and of the exit of Parmaubrac S.a.s., Parma Lacombe S.a.s., Parma Turc S.a.s., Sì Frutta S.r.l., Avirail Italia S.r.l. and Cibo Sapiens S.r.l..

1. Tangible assets

(Euro/000)	Balance at 31.12.2020	Change in consolidation area	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2021**
Land and buildings	800.800	1.521	30.326	(3.799)	42.817	(39.742)	831.923
Plant and machinery	170.457	446	36.138	(3.027)	12.685	(38.096)	178.603
Industrial and business equipment	11.150	93	3.894	(166)	409	(4.205)	11.175
Other assets	62.213	49	10.673	(843)	6.961	(15.606)	63.447
Fixed assets under construction and advances	113.839	-	80.074	(1.683)	(52.446)	0	139.784
Total	**1.158.459**	**2.109**	**161.105**	**(9.518)**	**10.426**	**(97.649)**	**1.224.932**

Land and buildings

The item under examination, net of depreciation for the period, increased compared to 2020 as a result of:

- investment property for about Euro 26.5 million, net of disinvestments;
- the exchange rate effect which gave rise to an increase of Euro 8.7 million.

All the sectors have made new investments in property, in particular: the Catering Sector for Euro 14.5 million, the Production Sector for Euro 11.8 million, the Distribution Sector for Euro 3.3 million and the Centralized activities Sector for Euro 0.8 million.

In detail:

Catering:

The investments amounted to Euro 14.5 million and mainly concerned the acquisition, under finance lease, involving the new outlets of the Roadhouse S.p.A. chain, as well as the refurbishment of some sales outlets of subsidiary Chef Express S.p.A., mainly at railway stations and airports.

Production:

The increases of the sector, which amounted to Euro 11.8 million, were mainly due to INALCA S.p.A., for Euro 4.6 million, mainly intended for the construction of new warehouses for leather storage and processing systems, the construction of the biogas digested sludge drying system at Pegognaga plant and improvements for all factories; to subsidiary Società Agricola Corticella S.r.l., for Euro 4.1 million, for the acquisition of land, improvements on buildings and renovation of barns.

Distribution:

Works continued to complete the new executive offices of MARR S.p.A. located in the municipal district of Santarcangelo di Romagna, which entered into service in February 2021.

Centralized activities:

Expenses of Euro 0.8 million were incurred for refurbishments in the Groups-owned buildings located in Rome, Trevi area and Castelvetro di Modena (MO).

The decreases include the sale by subsidiary MARR S.p.A., which took place in May 2021 substantially at book values, involving the property located in Santarcangelo di Romagna, Via dell'Acero 1/A, where the executive offices were previously located.

The other movements refer to both reclassification of works that were previously recorded under the item "non-current assets in progress" and the changes deriving from exchange rate effects, which positively impacted by Euro 8.7 million in the year (already mentioned above).

At 31 December 2021 there were sixty-nine financial leases. Shown below are the summarized figures of the transactions:

	Corbetta Building	Ferrara Building	Bergamo Building	Padova Building	Trezzano Building
Commencement of the lease term	01/03/2007	01/06/2007	01/07/2007	29/02/2008	10/09/2008
Duration finance lease	15 years	15 years	15 years	18 years	18 years
Nr. of lease payments	179 months	179 months	179 months	71 quarter	215 months
Value of the leased asset	1.6 million Euros	1.3 million Euros	3.0 million Euros	3.4 million Euros	3.6 million Euros
Initial payment on signing the contract	163 thousand Euros	133 thousand Euros	296 thousand Euros	339 thousand Euros	332 thousand Euros
Amount of the monthly payment	10 thousand Euros	8 thousand Euros	19 thousand Euros	64 thousand Euros	16 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	326 thousand Euros	267 thousand Euros	591 thousand Euros	339 thousand Euros	252 thousand Euros
2021 payments*	88 thousand Euros	71 thousand Euros	159 thousand Euros	177 thousand Euros	231 thousand Euros
Residual value as at 31 December 2021	0.3 thousand Euros	0.3 million Euros	0.7 million Euros	1.2 million Euros	1.3 million Euros

	Rozzano Building	Corsico Building	Vicenza Building	Modena Sud Building	Voghera Building
Commencement of the lease term	24/09/2008	12/08/2009	09/10/2009	16/09/2010	02/12/2010
Duration finance lease	18 years	18 years	18 years	18 years	18 years
Nr. of lease payments	215 months	215 months	215 months	215 months	215 months
Value of the leased asset	3.2 million Euros	3.5 million Euros	2.6 million Euros	4.4 million Euros	1.5 million Euros
Initial payment on signing the contract	316 thousand Euros	355 thousand Euros	260 thousand Euros	437 thousand Euros	147 thousand Euros
Amount of the monthly payment	20 thousand Euros	15 thousand Euros	10 thousand Euros	21 thousand Euros	7 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	316 thousand Euros	315 thousand Euros	215 thousand Euros	437 thousand Euros	147 thousand Euros
2021 payments*	244 thousand Euros	207 thousand Euros	153 thousand Euros	178 thousand Euros	59 thousand Euros
Residual value as at 31 December 2021	1.2 million Euros	1.3 million Euros	1.0 million Euros	2.0 million Euros	0.7 million Euros

* Values inclusive of indexation differences.

	Mirabilandia Building	Parma Building	Macerata Building	Capriate Building	Mestre Building
Commencement of the lease term	01/07/2011	23/12/2011	01/05/2012	31/10/2012	19/12/2012
Duration finance lease	18 years	18 years	18 years	18 years	13 years
Nr. of lease payments	215 months	215 months	215 months	215 months	155months
Value of the leased asset	2.4 million Euros	3.6 million Euros	1.5 million Euros	2.3 million Euros	2,5 million Euros
Initial payment on signing the contract	237 thousand Euros	360 thousand Euros	156 thousand Euros	465 thousand Euros	265 thousand Euros
Amount of the monthly payment	12 thousand Euros	21 thousand Euros	8 thousand Euros	10 thousand Euros	18 thousand Euros
Interest rate	Euribor	Euribor	Fixed	Euribor	Fixed
Amount of final option	237 thousand Euros	360 thousand Euros	147 thousand Euros	465 thousand Euros	234 thousand Euros
2021 payments*	104 thousand Euros	250 thousand Euros	98 thousand Euros	118 thousand Euros	201 thousand Euros
Residual value as at 31 December 2021	1.2 million Euros	2.3 million Euros	0.8 million Euros	1.1 million Euros	1.1 million Euros

	Cinisello Balsamo Building	Capriate works (a)	Bellinzago Lombardo Building	Gallarate Building	Carpi Building
Commencement of the lease term	12/07/2013	06/12/2013	28/07/2014	01/08/2014	01/08/2014
Duration finance lease	13 years	16 years	12 years	12 years	12 years
Nr. of lease payments	155 months	186 months	143 months	143 months	48 months
Value of the leased asset	3.5 million Euros	2.4 million Euros	1.7 million Euros	2.4 million Euros	1.9 million Euros
Initial payment on signing the contract	680 thousand Euros	844 thousand Euros	212 thousand Euros	224 thousand Euros	180 thousand Euros
Amount of the monthly payment	25 thousand Euros	16 thousand Euros	14 thousand Euros	16 thousand Euros	43 thousand Euros
Interest rate	Fixed	Euribor	Euribor	Euribor	Euribor
Amount of final option	307 thousand Euros	-	170 thousand Euros	224 thousand Euros	180 thousand Euros
2021 payments*	254 thousand Euros	211 thousand Euros	132 thousand Euros	153 thousand Euros	171 thousand Euros
Residual value as at 31 December 2021	1.4 million Euros	0.3 million Euros	0.9 million Euros	1.1 million Euros	0.9 million Euros

a) the first 107 instalments amount to Euro 15,800 and the subsequent Euro 79 to 3,200

	Pavia Building	Dalmine Building	Treviso Silea Building	Senigallia Building	Lainate Sempione Building
Commencement of the lease term	01/02/2015	23/03/2015	29/05/2015	11/06/2015	31/07/2015
Duration finance lease	12 years	12 years	12 years	12 years	12 years
Nr. of lease payments	143 months	143 months	143 months	143 months	143 months
Value of the leased asset	1.7 million Euros	2.4 million Euros	3.2 million Euros	2.1 million Euros	2.1 million Euros
Initial payment on signing the contract	168 thousand Euros	241 thousand Euros	320 thousand Euros	148 thousand Euros	244 thousand Euros
Amount of the monthly payment	12 thousand Euros	16 thousand Euros	23 thousand Euros	9 thousand Euros	17 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	168 thousand Euros	241 thousand Euros	32 thousand Euros	148 thousand Euros	244 thousand Euros
2021 payments*	136 thousand Euros	157 thousand Euros	277 thousand Euros	117 thousand Euros	135 thousand Euros
Residual value as at 31 December 2021	0.8 million Euros	1.3 million Euros	1.4 million Euros	0.8 million Euros	1.4 million Euros

	Lainate Casello Building	Rovato Building	Pioltello Building	Cernusco Lombardone Building	Como Lipomo Building
Commencement of the lease term	29/05/2015	05/08/2015	20/11/2015	21/12/2015	15/02/2016
Duration finance lease	12 years	12 years	12 years	12 years	12 years
Nr. of lease payments	143 months	143 months	143 months	143 months	143 months
Value of the leased asset	2.3 million Euros	2.3 million Euros	2.6 million Euros	1.5 million Euros	1.7 million Euros
Initial payment on signing the contract	275 thousand Euros	267 thousand Euros	297 thousand Euros	170 thousand Euros	276 thousand Euros
Amount of the monthly payment	15 thousand Euros	18 thousand Euros	19 thousand Euros	10 thousand Euros	18 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	231 thousand Euros	267 thousand Euros	297 thousand Euros	154 thousand Euros	276 thousand Euros
2021 payments*	174 thousand Euros	176 thousand Euros	198 thousand Euros	117 thousand Euros	171 thousand Euros
Residual value as at 31 December 2021	1.3 million Euros	1.3 million Euros	1.5 million Euros	0.9 million Euros	1.3 million Euros

* Values inclusive of indexation differences.

	Gravellona Toce Building	Olgiate Comasco Building	Collegno Building	Cornaredo Building	Tradate Building
Commencement of the lease term	15/03/2016	05/04/2016	02/08/2016	05/08/2016	19/10/2016
Duration finance lease	12 years	12 years	12 years	12 years	12 years
Nr. of lease payments	143 months	143 months	143 months	143 months	143 months
Value of the leased asset	1.3 million Euros	2.0 million Euros	1.4 million Euros	1.5 million Euros	2.4 million Euros
Initial payment on signing the contract	174 thousand Euros	257 thousand Euros	266 thousand Euros	197 thousand Euros	500 thousand Euros
Amount of the monthly payment	8 thousand Euros	16 thousand Euros	17 thousand Euros	9 thousand Euros	14 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	131 thousand Euros	257 thousand Euros	266 thousand Euros	147 thousand Euros	243 thousand Euros
2021 payments*	98 thousand Euros	124 thousand Euros	129 thousand Euros	108 thousand Euros	163 thousand Euros
Residual value as at 31 December 2021	0.8 million Euros	1.4 million Euros	1.5 million Euros	1.0 million Euros	1.4 million Euros

	Fidenza Building	Curtatone Building	Calavera Building	Ancona Building	Modena Victoria Building
Commencement of the lease term	29/09/2016	29/09/2016	03/02/2017	26/01/2017	08/06/2017
Duration finance lease	12 years	12 years	12 years	12 years	12 years
Nr. of lease payments	143 months	143 months	143 months	143 months	143 months
Value of the leased asset	1.8 million Euros	1.2 million Euros	2.1 million Euros	2.3 million Euros	1.9 million Euros
Initial payment on signing the contract	240 thousand Euros	148 thousand Euros	220 thousand Euros	253 thousand Euro	200 thousand Euros
Amount of the monthly payment	10 thousand Euros	7 thousand Euros	14 thousand Euros	14 thousand Euros	11 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	177 thousand Euros	119 thousand Euros	220 thousand Euros	227 thousand Euros	187 thousand Euros
2021 payments*	126 thousand Euros	86 thousand Euros	150 thousand Euros	166 thousand Euros	134 thousand Euros
Residual value as at 31 December 2021	1.1 million Euros	0.7 million Euros	1.4 million Euros	1.4 million Euros	1.2 million Euros

	Montano Lucino Building	Lido di Camaiore Building	Lainate Sempione works	Vigevano Building	Baranzate Building
Commencement of the lease term	26/07/2017	10/11/2017	11/05/2017	08/03/2018	29/03/2018
Duration finance lease	12 years	12 years	12 years	12 years	12 years
Nr. of lease payments	143 months	143 months	138 months	143 months	143 months
Value of the leased asset	2.1 million Euros	2.3 million Euros	0.1 million Euros	2.0 million Euros	3.2 million Euros
Initial payment on signing the contract	225 thousand Euros	234 thousand Euros	-	230 thousand Euros	287 thousand Euros
Amount of the monthly payment	12 thousand Euros	14 thousand Euros	0.6 thousand Euros	14 thousand Euros	19 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	187 thousand Euros	234 thousand Euros	-	230 thousand Euros	29 thousand Euros
2021 payments*	148 thousand Euros	170 thousand Euros	6 thousand Euros	144 thousand Euros	249 thousand Euros
Residual value as at 31 December 2021	1.4 million Euros	1.5 million Euros	0.0 million Euros	1.4 million Euros	2.3 million Euros

	Ferrara Sud Building	Sesto Fiorentino Building	Saronno Building	SegrateBuilding	Aosta Building
Commencement of the lease term	29/05/2018	12/11/2018	10/04/2018	01/12/2018	17/10/2018
Duration finance lease	12 years	12 years	12 years	12 years	12 years
Nr. of lease payments	143 months	143 months	143 months	143 months	143 months
Value of the leased asset	2.5 million Euros	4.3 million Euros	1.9 million Euros	3.6 million Euros	1.5 million Euros
Initial payment on signing the contract	250 thousand Euros	500 thousand Euros	210 thousand Euros	536 thousand Euros	175 thousand Euros
Amount of the monthly payment	15 thousand Euros	31 thousand Euros	13 thousand Euros	20 thousand Euros	11 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	193 thousand Euros	431 thousand Euros	210 thousand Euros	257 thousand Euros	147 thousand Euros
2021 payments*	187 thousand Euros	240 thousand Euros	132 thousand Euros	240 thousand Euros	106 thousand Euros
Residual value as at 31 December 2021	1.8 million Euros	3.5 million Euros	1.4 million Euros	2.4 million Euros	1.1 million Euros

* Values inclusive of indexation differences.

	Belluno Building	Monza Building	Assago Building	Noventa Building	Bussolengo Building
Commencement of the lease term	19/12/2018	08/04/2019	27/02/2019	01/07/2019	17/12/2018
Duration finance lease	12 years	12 years	12 years	12 years	12 years
Nr. of lease payments	143 months	47 months	143 months	143 months	143 months
Value of the leased asset	1.7 million Euros	2.5 million Euros	2.6 million Euros	2.2 million Euros	2.3 million Euros
Initial payment on signing the contract	270 thousand Euros	272 thousand Euros	280 thousand Euros	220 thousand Euros	230 thousand Euros
Amount of the monthly payment	10 thousand Euros	51 thousand Euros	16 thousand Euros	13 thousand Euros	14 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	170 thousand Euros	253 thousand Euros	271 thousand Euros	217 thousand Euros	230 thousand Euros
2021 payments*	112 thousand Euros	191 thousand Euros	194 thousand Euros	159 thousand Euros	179 thousand Euros
Residual value as at 31 December 2021	1.2 million Euros	2.0 million Euros	2.1 million Euros	1.7 million Euros	1.9 million Euros

	Erba Building	Cremona Building	Bologna Stalingrado Building	Padova ovest Building	Trieste Building
Commencement of the lease term	17/12/2018	24/10/2019	31/07/2019	05/04/2019	24/10/2019
Duration finance lease	12 years	12 years	12 years	12 years	12 years
Nr. of lease payments	143 months	143 months	143 months	143 months	143 months
Value of the leased asset	2.3 million Euros	2.2 million Euros	3.4 million Euros	2.3 million Euros	3.0 million Euros
Initial payment on signing the contract	235 thousand Euros	220 thousand Euros	400 thousand Euros	278 thousand Euros	305 thousand Euros
Amount of the monthly payment	14 thousand Euros	13 thousand Euros	23 thousand Euros	18 thousand Euros	20 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	235 thousand Euros	220 thousand Euros	400 thousand Euros	27 thousand Euros	30 thousand Euros
2021 payments*	173 thousand Euros	163 thousand Euros	235 thousand Euros	207 thousand Euros	218 thousand Euros
Residual value as at 31 December 2021	1.9 million Euros	1.7 million Euros	2.6 million Euros	2.2 million Euros	2.2 million Euros

	Casalecchio Building	Casalecchio Calavera Building	Arezzo Building	Agrate Building	Seregno CA Building
Commencement of the lease term	28/11/2019	28/11/2019	05/05/2020	24/07/2020	17/11/2020
Duration finance lease	12 years	12 years	12 years	12 years	12 years
Nr. of lease payments	143 months	143 months	143 months	143 months	143 months
Value of the leased asset	3.1 million Euros	2.7 million Euros	1.4 million Euros	0.9 million Euros	1.9 million Euros
Initial payment on signing the contract	640 thousand Euros	610 thousand Euros	248 thousand Euros	425 thousand Euros	257 thousand Euros
Amount of the monthly payment	17 thousand Euros	17 thousand Euros	15 thousand Euros	25 thousand Euros	16 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor	Euribor
Amount of final option	320 thousand Euros	305 thousand Euros	248 thousand Euros	425 thousand Euros	257 thousand Euros
2021 payments*	78 thousand Euros	68 thousand Euros	20 thousand Euros	3 thousand Euros	17 thousand Euros
Residual value as at 31 December 2021	2.3 million Euros	2.0 million Euros	1.1 million Euros	1.1 million Euros	2.1 million Euros

	Perugia Building	Parma Ovest Building	Pisa Building	Peschiera Building
Commencement of the lease term	25/09/2020	13/10/2020	25/02/2021	25/02/2021
Duration finance lease	12 years	12 years	12 years	12 years
Nr. of lease payments	143 months	143 months	143 months	143 months
Value of the leased asset	1.3 million Euros	1.8 million Euros	1.4 million Euros	1.7 million Euros
Initial payment on signing the contract	190 thousand Euros	250 thousand Euros	270 thousand Euros	260 thousand Euros
Amount of the monthly payment	12 thousand Euros	15 thousand Euros	17 thousand Euros	16 thousand Euros
Interest rate	Euribor	Euribor	Euribor	Euribor
Amount of final option	190 thousand Euros	250 thousand Euros	270 thousand Euros	260 thousand Euros
2021 payments*	13 thousand Euros	16 thousand Euros	9 thousand Euros	13 thousand Euros
Residual value as at 31 December 2021	1.4 million Euros	1.7 million Euros	2.1 million Euros	2.0 million Euros

* Values inclusive of indexation differences.

Plant and machinery

The main increases for 2021 were made in the sectors:

- Production (for a total of Euro 29.0 million) by:
    - INALCA S.p.A. (Euro 9.5 million) for non-routine maintenance work at the main factories;

specifically, mainly intended for the rendering project (plant for food processing of bovine bones and fat) in Castelvetro; the new processing plant of chilled hides and skins and the purchase of silos for the storag e of food flours ; some investments of small amounts, including the completion of the new automated warehouse for pallets of frozen products, the replacement of natural gas cogeneration plant and expansion of cold storage in Ospedaletto Lodigiano; the construction of the biogas digested sludge drying system and the completion of the salting and storage system for hides and skins in Pegognaga; the purchase and installation of a new cogeneration plant and a PV plant in Rieti;
- Sara S.r.l. (Euro 6.9 million) for the revamping of the existing composting plant aimed at the subsequent production of biomethane following the expected contribution of operations to a new company with an industrial partner in the sector, in addition to a PV plant;
- Italia Alimentari S.p.A. (Euro 5.4 million) for the expansion of specific production plants at Gazoldo, Busseto and Postalesio; (bacon oven, new Textor line);
- Fiorani e C. S.p.A. (Euro 2.8 million) for the purchase of specific equipment and machinery for enlargement of production lines, mainly at Piacenza and Castelnuovo Rangone sites;
- Realbeef S.r.l. (Euro 1.9 million) for the purchase of new specific plants.

- Catering (for a total of Euro 3.9 million) by:
    - Roadhouse S.p.A. (Euro 2.1 million for new systems and improvements to the existing plants, specifically at Bari, Maranello (MO), Pisa, Peschiera (VR), Vimodrone (MI); Parma Ovest and Bolzano restaurants;
    - Chef Express S.p.A. (Euro 1.3 million) for improvements on the plants of the airport and railway catering premises operated by the company.

- Distribution (for a total of Euro 2.6 million), almost exclusively attributable to MARR S.p.A. for the completion of the executive offices located in the Municipal district of Santarcangelo di Romagna (in operation from February 2021), for the new branch of MARR Catania (about Euro 700 thousand), operating from mid-March and improvements at a number of branches.

The other movements refer to both reclassification of works that were previously recorded under the item "non-current assets in progress" and the changes deriving from positive exchange rate effects (Euro 1.6 million).

Other assets

The main investments that justify the increase with respect to 31 December 2020 involved various sectors. In detail the higher increases can be ascribed to:

- Roadhouse S.p.A. for fitting-out new restaurants (Euro 2.9 million);
- Chef Express S.p.A. (Euro 1.8 million) for the acquisition of furniture and fittings;
- MARR S.p.A. for the purchase of furniture, electronic machinery and cars (Euro 1.6 million);
- INALCA S.p.A. (Euro 1.0 million) mainly for the purchases of vehicles, electronic machinery, means of in-house transport.

Fixed assets under construction and advances

The greater increases regarded these sectors:

- Production for Euro 60.0 million, incurred by:
- Zaklady Miesne Socochin Sp.z.o.o. (Euro 25.1 million) for the construction of the new slaughtering plant in Sochocin, in Poland;
- Società Agricola Corticella S.r.l. (Euro 15.9 million) for new barns and land;
- Italia Alimentari S.p.A. (Euro 10.4 million), mainly involving works for upgrading in the areas of production and slicing of cured meats at all factories;

- INALCA S.p.A. (Euro 7.4 million) for the construction and expansion of plants, including the rendering project intended for the food processing of bovine bones and fat and the purchase of silos for the storage of food flours at Castelvetro di Modena plant;
- Castelfrigo S.r.l. (Euro 2.8 million) for the construction involving plants intended for the production of high value-added products aimed at increasing business profitability;
- Orenbeef Llc. (Euro 1.3 million) for the acquisition of a new waste water purification plant and various improvements for the modernisation of the new slaughterhouse in Orenburg (Russia);
- Marr Russia Llc (Euro 1.3 million) for investments relating to the fleet of refrigerated vehicles, electronic office machines and internal goods handling equipment.

- Catering for Euro 17.5 million, incurred by:
- Chef Express S.p.A. (Euro 10.9 million) for investments made for the refurbishment of various station buffets and Motorway Service Stations;
- Roadhouse S.p.A. (Euro 6.5 million) for works at the new "Roadhouse Restaurant" outlets, specifically at Rome Termini, Bolzano, Vicenza Palladio, "Calavera *Restaurant*" in Seregno (MB), Naples, Vimodrone (MI) and Merano (BZ).

- Distribution for Euro 2.8 million, fully attributable to MARR S.p.A. for work in progress on some branches, and the purchases of devices for company fleets.

There are mortgages, secured by non-current tangible assets, for amounts of about Euro 570 million against loans obtained.

2. Right of use

(Euro/000)	Balance at 31.12.2020	Change in consolidation area	Purchases	Decreases	Hyperinflation effect	Other	Amortization	**Balance at 31.12.2021**
Land and buildings - Right of use	287.888	3.528	72.010	(5.768)	0	7.949	(49.327)	316.280
Plant and machinery - Right of use	2.424	0	519	(7)	0	35	(1.347)	1.624
Industr. and business equipm.- Right of use	856	0	779	0	0	(4)	(99)	1.532
Other assets - Right of use	1.385	2.099	378	(9)	0	7	(1.357)	2.503
Total	**292.553**	**5.627**	**73.686**	**(5.784)**	**0**	**7.987**	**(52.130)**	**321.939**

The adoption of the new accounting standard IFRS 16 entailed the recognition of a Right of use among non-current assets, the book value of which amounted to Euro 321.9 million at 31 December 2021. Below is the breakdown of the Right of use by sector:

- Catering Euro 236.9 million;
- Distribution Euro 72.0 million;
- Production Euro 13.1 million.

The amount stated in column of "Change in consolidation area" consists of the value of the lease agreements of the newly-consolidated company Antonio Verrini S.r.l..

The increases in the period related both to the extension of leases that were due to expire and the execution of new agreements with lessors to redetermine the fees following the Covid-19 pandemic. In particular, the increases concerned the Catering sector for Euro 53.3 million and the Distribution sector for Euro 17.2 million and the Production sector for Euro 2.9 million.

3. Goodwill

Goodwill is not amortized with the exclusion of that with a defined useful life, the amortization of which is correlated to the term of the concession; recoverability of the related book value is verified at least annually and anyway when events occur that presuppose impairment.
The verification is carried out at the level of the smallest aggregate on the basis of which corporate management measures, directly or indirectly, the return on the investment that includes the goodwill (cash generating unit); for the main hypotheses utilized for the determination of recoverable value you are referred to that shown in the paragraph "Major assumptions adopted by Management and discretionary valuations".

(Euro/000)	Balance at 31.12.2020	Change in consolidation scope	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2021**
Production - Beef	22.283	-	-	(200)	67	(1.604)	20.546
Production - Others	302	-	-	-	-	-	302
Distribution	142.795	9.314	-	-	-	-	152.109
Catering	45.629	-	-	-	125	(57)	45.697
Holding company and services	0	-	-	-	-	-	0
Total	**211.009**	**9.314**	**0**	**(200)**	**192**	**(1.661)**	**218.654**

The increase of the period of Euro 9.5 million is mainly due to the acquisition of Antonio Verrini S.r.l., which operates in the distribution sector.

The cost of the business combination regarding these transactions was determined based on the carrying values stated in the shares transfer agreement. The details of the net assets acquired and the most significant goodwill are explained below:

(Euro/000)	Chef S.r.l.	Antonio Verrini S.r.l.
Total cost of the business combination	**56**	**7.730**
Fair value of assets acquired and contingent liabilities a	(156)	(1.584)
Goodwill	**212**	**9.314**

Book values determined in conformity with the IFRS immediately prior to the combination (Euro/000)	Chef S.r.l.	Antonio Verrini S.r.l.
Intangible and tangible assets	142	6.088
Investments	46	-
Inventories	1.034	-
Receivables	990	-
Other current assets	136	10
Cash and cash equivalent	460	14
Employee benefits	(106)	(1.456)
Risks provisions	(8)	(32)
Trade payables	(2.523)	-
Othre current liabilities	(327)	(6.208)
Fair value of assets acquired, liabilities and contingent liabilities assumed	**(156)**	**(1.584)**
Fair value pertaining to the Group	**(156)**	**(1.584)**

The goodwill provisionally attributed to the acquisitions showed above are justified by the important strategic value of such transactions that permitted the Group to significantly strengthen its presence in areas not covered before.

Following the completion of the acquisition of Chef S.r.l. and therefore of the full ownership and availability of the "Chef Sea Food" brand, in line with the provisions of paragraphs 45 and 46 of IFRS 3, there was the review of the initial allocation of the amount of Euro 212 thousand to Goodwill, which was then allocated to Trademarks as a result of what is described above.

4. Other intangible assets

(Euro/000)	Balance at 31.12.2020	Change in consolidation area	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2021**
Patents and intellectual property rights	4.947	133	1.064	(5)	496	(2.542)	4.093
Development costs	61	-	112	-	178	(119)	232
Concessions, licences, trademarks and similar rights	14.281	256	562	1	488	(1.775)	13.813
Fixed assets under development and advances	2.299	(2)	456	-	(1.236)	-	1.517
Long-term costs	5.638	95	-	(62)	(2.055)	(928)	2.688
Total	**27.226**	**482**	**2.194**	**(66)**	**(2.129)**	**(5.364)**	**22.343**

The item "Patents and intellectual property rights" mainly includes the purchases and implementation of software and company applications. The acquisitions for the year refer to MARR S.p.A., Chef Express S.p.A., Inalca Food & Beverage S.r.l. and Roadhouse S.p.A..

5. Investments valued at equity

The main changes that took place during the financial year, detailed in annex 5, are commented below. Annex 6 also shows the list and figures required by Art. 2427.5 of the Italian Civil Code.

Equity investments in subsidiaries

The decrease in the balance compared to 31 December 2020, equal to Euro 1,793 thousand, was due to including Dolfen S.r.l., Macello di Parma S.r.l., Antonio Verrini S.r.l., Chef S.r.l. Unipersonale, Royi Wine & Spirit (China) LTD, Royi Wine (Shanghai) LTD in the scope of consolidation.

Equity investments in associated companies

The increase in the item under examination mainly relates to the investment in Zaino IF&B Co. Ltd. During the year the carrying amounts of equity investments were adjusted on the basis of the latest available interim financial statements.

6. Investments in other companies

The balance at 31 December amounted to Euro 15,329 thousand, down by Euro 268 thousand compared to 31 December 2020. This reduction was due to a write-down of the investments in Centro Agroalimentare Riminese S.p.A. (Euro 117 thousand), B.F. Holding S.p.A. (Euro 72 thousand), and Gester Soc. Coop. (Euro 70 thousand).
The write-down of the investment in B.F. Holding S.p.A. was allocated to the specific equity reserve set aside for the recognition of changes in the fair value of financial instruments.

7. Non-current financial receivables

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Receivables from subsidiaries	-	-	-
Receivables from associated companies			
- Frigomacello S.r.l.	749	758	(9)
- Società Agricola Marchesina S.r.l.	400	400	-
- La Torre Soc. Agr. Cons. a r.l.	-	14.250	(14.250)
Interest-bearing and non-interest-bearing loans to third parties	15.824	12.788	3.036
Total	**16.973**	**28.196**	**(11.223)**

As at 31 December 2021 they amounted to Euro 16,973 thousand compared to Euro 28,196 thousand in 2020. The reduction in the balance is mainly attributable to the Production sector and concerns the repayment of the loan of Euro 14.2 million granted to associate La Torre Società Agricola Cons. a r.l. in 2020.
The item "Loans to third parties" includes a loan of Euro 14.1 million disbursed to investee Montagna S.p.A. in the previous year for the enlargement of the factory directly operated by INALCA S.p.A., as well as receivables claimed by subsidiary MARR S.p.A. for Euro 750 thousand (Euro 1,070 thousand at 31 December 2020).

8. Deferred tax assets

The amount of these taxes mainly refers to the tax effect (IRES and IRAP) calculated on the taxed provisions, write-downs of non-current financial assets fiscally deductible in subsequent financial years and write-downs of non-current intangible assets.

9. Other non-current assets

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Trade receivables	8.195	15.904	(7.709)
Provision for bad debts	(7)	(204)	197
Tax assets	5.891	7.706	(1.815)
Other receivables	24.716	26.868	(2.152)
Deferred income and prepaid expenses	3.919	4.140	(221)
Total	**42.714**	**54.414**	**(11.700)**

Non-current "Receivables from customers", which totalled Euro 8,195 thousand are almost entirely attributable to the subsidiary MARR S.p.A. and concern agreements and deferments in payment defined with the customers. Their decrease has been due to the reimbursements carried out under the repayment plans during the year, which were defined with customers in the previous year as a result of the difficulties encountered by the operators in the sector following the outbreak of the Covid-19 pandemic and the restrictive measures the governments have put in place from time to time.

"Other receivables", as in past years, is mostly attributable to the Distribution sector and includes VAT receivables from the Tax Office for losses on customers for Euro 5,095 thousand (Euro 5,297 thousand at 31 December 2020), as well as receivables from suppliers for Euro 13,402 thousand (Euro 18,711 thousand at 31 December 2020).
"Accrued income and prepaid expenses" are mostly connected with long-term promotional contributions paid to the customers (the amount falling due beyond 5 years is estimated at about Euro 1,442 thousand).

Current assets

10. Inventories

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Raw materials, secondary materials and consumables	84.506	66.427	18.079
Work in progress and semi-finished goods	7.676	7.937	(261)
Finished goods and goods for resale	389.447	325.079	64.368
Advances	18.842	12.245	6.597
Provision for write-down of inventories	(3.036)	(2.116)	(920)
Total	**497.435**	**409.572**	**87.863**

The increase compared to the previous year is mainly attributable to the Distribution sector (for Euro 65.3 million), mainly as a result of the timing of fishing seasons and specific procurement policies mainly in the frozen seafood products market.

11. Biological assets

This item relates to the valuation of accretion of cattle owned by Società Agricola Corticella S.r.l., Cremovit S.r.l., Parma Serv S.r.l., Agrosakmara Llc. as carried out in accordance with IAS 41.

These assets, which amounted to Euro 54.9 million at 31 December 2021, showed an increase of Euro 8.6 million compared to Euro 46.2 million in 2020 for a higher number of heads owned by Parma Serv S.r.l. in Italy and Agrosakmara in Russia, as well as an increase in the heads owned by Società Agricola Corticella S.r.l. and Cremovit S.r.l., which constitute the largest portion of livestock at the Group's stables or under agistment contracts.

The table below reports the number of heads in the stables of the aforesaid companies:

	31.12.2021	31.12.2020	Difference
Veals	37.410	34.062	3.348
Bullocks	11.021	12.522	(1.501)
Heifers	9.842	9.611	231
Total	**58.273**	**56.195**	**2.078**

12. Current financial receivables

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Receivables from subsidiaries	**1.118**	**2.298**	**(1.180)**
Dolfen S.r.l.	-	1.010	(1.010)
Inalca Russia LLc	1	1	-
Società Agricola Transumanza S.r.l.	1.117	1.287	(170)
Receivables from associated companies	**4.935**	**1.839**	**3.096**
A.G.M. S.r.l.	493	493	-
Farm Service S.r.l.	333	333	-
La Torre Soc.Agr.Consortile a r.l.	1.066	-	1.066
Società Agricola Castello di Godego S.r.l.	-	1.000	(1.000)
Società Agricola Marchesina S.r.l.	3.032	-	3.032
Unieffebi S.r.l. (liquidata)	11	13	(2)
Receivables from controlling companies	**-**	**1.697**	**(1.697)**
Namsov Fishing Enterprises Ltd	-	1.697	(1.697)
Other financial receivables	**6.745**	**1.922**	**4.823**
Treasury receivables from minorities	6.745	1.922	4.823
Provision for bad debts	-	-	-
Totale	**12.798**	**7.756**	**5.042**

The increase in the balance was mainly due to the loans granted to La Torre Società Agricola Cons. a r.l. and Società Agricola Marchesina S.r.l., as well as to higher loans disbursed by the subsidiary Kaskad Llc to third parties.
Furthermore, Dolfen S.r.l. joined the scope of consolidation during the year.

13. Current trade receivables

Trade receivables are broken down as follows:

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Trade receivables	**586.447**	**487.377**	**99.070**
Due within 12 months	647.120	546.214	100.906
Provision for bad debts	(60.673)	(58.837)	(1.836)
Receivables from parent companies	-	-	-
Cremofin S.r.l.	-	-	-
Receivables from unconsolidated subsidiaries	**437**	**576**	**(139)**
Corte Buona LLC	56	-	56
Dolfen S.r.l.	-	2	(2)
Inalca Russia LLc	4	3	1
Italia Alimentari USA Corporation	354	192	162
Royi Wine Shanghai	-	326	(326)
	-	53	(53)
Zaino IF&B Co. Ltd	23	-	23
Provision for bad debts	-	-	-
Receivables from associated companies	**3.700**	**3.360**	**340**
A.G.M. S.r.l.	13	71	(58)
Farm Service S.r.l.	840	381	459
Inalca Emirates Trading Llc	338	538	(200)
Inalca West Africa Food & Beverage Ltd	26	249	(223)
La Torre Soc.Agr.Consortile Ar.l.	2	-	2
Società Agricola Castello di Godego S.r.l.	-	7	(7)
Società Agricola Castello di Marchesina S.r.l.	1.319	1.436	(117)
Time Vending S.r.l.	42	13	29
Unitea S.r.l.	1.120	665	455
Bad debts provision	-	-	-
Total	**590.584**	**491.313**	**99.271**

The Group's credit risk is primarily attributable to the amount of trade receivables. The amounts disclosed in the financial statements are net of provisions for bad debts, estimated by the Group management based on historical experience and their measurement in the current economic context.

At 31 December 2021, the composition of the overdue trade receivables from third parties is the following:

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Initial balance	(59.124)	(59.435)	311
Change in scope of consolidation	(80)	5.646	(5.726)
Utilized during the year	17.901	19.444	(1.543)
Other movements	554	(36)	590
Exchange differences effect	(562)	1.602	(2.164)
Accruals during the year	(19.369)	(26.345)	6.976
Final balance	**(60.680)**	**(59.124)**	**(1.556)**

The fair value of the categories shown above is not given as the carrying value represents a reasonable approximation.

The change in the bad debt provision was the following:

(Euro/000)	31.12.2021		31.12.2020	Difference
	Amount	Bad Debt Prov.	Amount	Bad Debt Prov.
Trade receivables not overdue	424.657	(1.177)	316.539	(455)
Overdue up to 30 days	62.281	(94)	58.295	(87)
Overdue from 31 to 60 days	31.260	(91)	33.777	(48)
Overdue from 61 to 90 days	12.069	(219)	23.214	(69)
Overdue from 91 to 120 days	81.740	(44.098)	102.022	(46.513)
Overdue over 120 days	43.308	(15.001)	28.354	(11.952)
Total	**655.315**	**(60.680)**	**562.201**	**(59.124)**

14. Current tax assets

(Euro/000)	31.12.2021	31.12.2020	Difference
Receivables for advance on direct taxes	3.091	7.038	(3.947)
Receivables for withholdings	48	55	(7)
VAT credit and other taxes requested for reimbursement	23.051	15.676	7.375
Other sundry receivables	17.904	15.780	2.124
Bad debts provision	(3)	(3)	-
Total	**44.091**	**38.546**	**5.545**

The increase in the balance was determined by higher VAT credits accrued in Italy during the year.

The item "Other sundry receivables" mainly includes tax credits for renovation and energy saving works pursuant to article 1, paragraph 349 of Law no. 296 of 27 December 2006, for activities supporting culture (the so-called "Art Bonus") provided for by Law no. 106 of 29 July 2014 and for investments made that can be subsidized for the purposes of the tax credit for "Research and Development" under article 1, paragraph 35 of Law no. 190 of 23 December 2014 (Stability Law 2015) and credits granted under Laws no. 77 of 2020 ("Relaunch Decree") and no. 176 of 2020 ("Non-refundable Compensation Decree") following the effects of the Covid-19 pandemic.

15. Cash and cash equivalents

(Euro/000)	31.12.2021	31.12.2020	Difference
Cash	12.563	7.213	5.350
Checks	14	0	14
Bank and postal accounts	330.914	377.018	(46.104)
Total	**343.491**	**384.231**	**(40.740)**

The balance represents the cash and cash equivalents and the existence of money and notes in circulation at the year-end. You are referred to the cash flow statement for the evolution of the cash and cash equivalents, while please refer to item 24 "Current financial payables" of the explanatory notes to the consolidated financial statements for the composition of the Net Debt.

Below is a breakdown of the balance by sector:

(Euro/000)	31.12.2021	31.12.2020	Difference
Production Sector	45.951	94.436	(48.485)
Distribution Sector	249.994	251.491	(1.497)
Catering Sector	24.387	36.693	(12.306)
Centralized Activities Sector	23.159	1.611	21.548
Total	**343.491**	**384.231**	**(40.740)**

16. Other current assets

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Accrued income and prepaid expenses	5.658	5.551	107
Other receivables			
Advances to suppliers	56.870	46.358	10.512
Receivables from insurance companies	547	3.103	(2.556)
Receivables for contributions to be collected	-	-	-
Receivables from social security institutions	4.690	8.741	(4.051)
Receivables from agents	2.183	1.951	232
Receivables from employees	390	354	36
Down payments	107	343	(236)
Guarantee deposits	609	283	326
Other sundry receivables	15.640	9.106	6.534
Provision for bad debts	(5.934)	(5.821)	(113)
Total	**80.760**	**69.969**	**10.791**

The "Accrued income and prepaid expenses" item mainly is composed of costs incurred for the awarding of catering services in motorway areas in concession. These costs, attributable to a form of rent prepaid, are accordingly recovered over the term of the various concessions.

The item "Advances to suppliers" relates to Euro 47.7 million for the Distribution sector and Euro 7.5 million for Production. Both amounts are associated with the typical procurement methods; these include in particular payments made to overseas suppliers for the purchase of goods under the F.O.B. clause.
At 31 December 2021 a portion of receivables from suppliers, relating to year-end premiums to be received, had been classified as a reduction in trade liabilities; the values at 31 December 2020 were then restated for comparative purposes.

"Receivables from insurance companies" relate to receivables reimbursable from claims not yet received at the reporting date. The reduction compared to the previous year was due to the payment of the compensation paid following the fire that occurred at Italia Alimentari's plant in Busseto (PR).

"Other sundry receivables", equal to Euro 15.6 million (Euro 9.1 million in 2020), include various receivables and prepayments, in addition to amounts advanced for on-going tax disputes.
The more significant are:

- receivables of about Euro 2.5 million for contributions and charges paid for building works on a plot of land at Ospedaletto(INALCA S.p.A.);
- energy certificate receivables of Euro 2.3 million (INALCA S.p.A.);
- AGEA (Agriculture Disbursements Agency) agricultural grants yet to be received of Euro 2.2 million (Società Agricola Corticella S.r.l.);
- grants on investments 4.0 in capital goods of Euro 1.5 million (Fiorani & C. S.p.A.);
- receivables of Euro 1.8 million accrued for the use of wage-supplement schemes provided for under Legislative Decree no. 18 of 17 March 2020 in order to cope with the Covid-19 epidemic emergency (Chef Express S.p.A.);
- prepayments for opening new premises of the "Roadhouse Restaurant" brand chain.

The "Provision for bad debts" from others refers to receivables of Euro 1,100 thousand from sales engineers of subsidiary MARR S.p.A., as well as receivables from suppliers and agents.

LIABILITIES

Shareholders' Equity

As regards the changes within the Shareholders' Equity, please refer to the relevant statement of changes.

17. Share capital and reserves

Share capital

The share capital amounts to Euro 67,073,931.60 and represents 128,988,330 ordinary shares of the Parent Company Cremonini S.p.A., fully subscribed and paid-up, with normal rights and a par value of Euro 0.52 each.

Treasury stock

The Parent Company did not hold treasury shares at 31 December 2021.

Reserves

The legal reserve of Euro 14,749 thousand remained unchanged in the period, having reached the limit set out by Art. 2430 of the Civil Code.

The share premium reserve was made up of the premium paid by the shareholders under the IPO during 1998. The amount of the reserve of Euro 78,280 thousand did not change compared to 31 December 2020.

The cash flow hedge reserve records the profits or losses deriving from the valuation of the financial instruments designated to hedge variable rate loans.

The reserve for transition to IAS/IFRS was set up following the first-time adoption of the International Accounting Standards.

This reserve recognises the fair value changes of financial instruments available for sale. The movement for the period that affected this reserve related to the change in the value of the investments held in BPER Banca S.p.A. (sold during 2019) and Banco BPM S.p.A..

The basic earnings per share at 31 December 2021 amounted to Euro 0.1815 (Euro 0.340 at 31 December 2020) and was calculated on the basis of net profit of Euro 23,412 thousand divided by the weighted average number of ordinary shares in 2021 equal to 128,988,330. There is no difference between basic and diluted earnings per share.

The reconciliation between the shareholders' equity of the Parent Company and the corresponding consolidated figures is the following:

(Euro/000)	Financial year as at 31.12.2021		
	Capital stock and reserve	Profit/(loss)	Shareholders' equity
Parent Company's shareholders' equity and profit/(loss) for the year	**293.509**	**28.078**	**321.587**
Elimination of carryng value of consolidated subsudiaries:			
- Pro rata subsidiary profits (losses)	-	44.600	44.600
- Difference between the carryng value and pro rata shareholder's equity, net of the effects of intra-Group transactions	155.861	-	155.861
- Investments write-up/write-down	(11.354)	11.354	-
- Dividends	60.240	(60.240)	-
- Consolidation differences	104.681	-	104.681
Elimination of the effects of commercial transactions between Group companies	(5.561)	(270)	(5.831)
Adjustment of the financial statement of the consolidated companies in accordance with the Group principles and shareholders' equity valuation of investments	978	(110)	868
Total adjustments	*304.845*	*(4.666)*	*300.179*
Group's share of net equity and profit/(loss)	**598.354**	**23.412**	**621.766**
Minorities' share of net equity and profit/(loss)	340.542	42.146	382.688
Consolidated financial statements shareholders' equity and profit/(loss) for the year	**938.896**	**65.558**	**1.004.454**

Non-current liabilities

18. Non-current financial payables

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Due between 1 and 5 years			
Bonds	-	-	-
Payables to banks	520.290	575.142	(54.852)
Payables to other financial institutions	39.535	64.678	(25.143)
Total payables due between 1 and 5 years	**559.825**	**639.820**	**(79.995)**
Due beyond 5 years			
Payables to banks	28.584	50.909	(22.325)
Payables to other financial institutions	142.412	46.104	96.308
Total payables due beyond 5 years	**170.996**	**97.013**	**73.983**
Total	**730.821**	**736.833**	**(6.012)**

Shown below is a breakdown of payables to banks:

(Euro/000)	Current portion	Between 1 and 5 years	Beyond 5 years	**Balance at 31.12.2021**
Overdraft	11.737	-	-	11.737
Advances - Imports	17.493	-	-	17.493
Advances - Exports	30.928	-	-	30.928
Advances on invoices Italy	48.462	-	-	48.462
Advances subj. to collection	26.337	-	-	26.337
Hot Money	68.534	-	-	68.534
Mortgages	253.494	521.076	23.588	798.158
Others	5.125	729	5.000	10.854
Amortized cost	(924)	(1.515)	(4)	(2.443)
Total	**461.186**	**520.290**	**28.584**	**1.010.060**

Please refer to the Directors' Report for a careful examination of the net debt and its components, both current and non-current.

At 31 December 2021, payables to Banks, amounting to Euro 24.5 million, with an original maturity of beyond 12 months, were reclassified to short-term items, as a result of two loans granted to subsidiary Chef Express S.p.A. by UBI Banca S.p.A. (now Intesa Sanpaolo S.p.A.) with an initial amount of Euro 10 million and by the Pool of banks of the SACE Guarantee-backed loan disbursed in August 2020 with an initial amount of Euro 90 million not having complied with the financial covenants on the occasion of the precise audit conducted on 31 December 2021. However, at the reporting date, agreements have already been reached with a Pool of Lending Banks for the execution and disbursement of a new medium/long-term loan to Chef Express S.p.A. for an amount of up Euro 100 million intended – among other things - for the early redemption without penalties of the two abovementioned loans. The execution and disbursement of the new loan with an amount of Euro 100 million is expected by April 2022.

Payables to other financial institutions detailed in the following table mainly refer to payables deriving from the booking, in accordance with the financial methodology, of the lease contracts and the Senior Unsecured Notes entered into by subsidiary MARR S.p.A. in July 2021, reserved for a US institutional investor (Pricoa Private Capital, a company in *The Prudential Insurance Company of America* Group). The bond amounted to Euro 100 million with a term of 10 years from the closing date, which took place on 29 July 2021.

Other financial institutions	Interest rate	Expiry date	Current	Non current	Balance at 31.12.2021
Leasing					
Agrate	Euribor + spread	23/07/2032	1.072	-	**1.072**
Ancona	"	25/01/2029	147	1.263	**1.410**
Aosta	"	16/10/2030	92	999	**1.091**
Arezzo	"	04/05/2032	1.052	-	**1.052**
Assago Calavera	"	26/02/2031	176	1.909	**2.085**
Baranzate	"	28/03/2030	228	2.087	**2.315**
Bellinzago Lombardo	"	27/07/2026	10	873	**883**
Belluno	"	18/12/2030	(377)	1.585	**1.208**
Bergamo	"	30/06/2022	669	-	**669**
Bologna Casalecchio	"	27/11/2031	156	2.139	**2.295**
Bologna Casalecchio Calavera	"	27/11/2031	136	1.866	**2.002**
Bologna Stalingrado	"	30/07/2031	213	2.357	**2.570**
Bussolengo	"	16/12/2030	145	1.709	**1.854**
Capriate	"	30/10/2030	65	1.070	**1.135**
Capriate Opere	"	05/12/2029	206	133	**339**
Carpi	"	31/07/2026	141	756	**897**
Calavera Cernusco	"	02/02/2029	132	1.316	**1.448**
Cernusco Lombardone	"	20/12/2027	101	811	**912**
Cinisello Balsamo	Fixed	11/07/2026	210	1.219	**1.429**
Collegno	Euribor + spread	01/08/2028	257	1.228	**1.485**
Como Lipomo	"	14/02/2028	145	1.190	**1.335**
Corbetta	"	28/02/2022	341	1	**342**
Cornaredo	"	04/08/2028	91	861	**952**
Corsico	"	11/08/2027	173	1.170	**1.343**
Cremona	"	23/10/2031	143	1.588	**1.731**
Curtatone	"	28/09/2028	76	656	**732**
Dalmine	"	22/03/2027	161	1.149	**1.310**
Erba	"	16/12/2030	146	1.706	**1.852**
Ferrara	"	31/05/2022	296	-	**296**
Ferrara sud	"	28/05/2030	165	1.590	**1.755**
Fidenza	"	28/09/2028	111	989	**1.100**
Gallarate	"	31/07/2026	285	831	**1.116**
Gravellona Toce	"	14/03/2028	83	691	**774**
Lainate Casello	"	28/05/2027	150	1.151	**1.301**
Lainate Sempione	"	30/07/2027	242	1.109	**1.351**
Lainate Sempione Opere	"	10/05/2029	11	38	**49**
Lido di Camaiore	"	09/11/2029	155	1.336	**1.491**
Macerata	Fixed	30/04/2030	72	757	**829**
Mestre	Fixed	18/12/2025	168	916	**1.084**
Mirabilandia	Euribor + spread	30/06/2029	179	1.039	**1.218**
Modena Sud	"	15/09/2028	296	1.743	**2.039**
Modena Victoria	"	07/06/2029	123	1.081	**1.204**
Montano Lucino	"	25/07/2029	135	1.241	**1.376**
Monza	"	07/04/2031	161	1.821	**1.982**
Noventa	"	30/06/2031	139	1.537	**1.676**
Olgiate Comasco	"	04/04/2028	249	1.146	**1.395**
Padova	"	28/02/2026	196	1.002	**1.198**
Padova ovest	"	04/04/2031	175	2.057	**2.232**
Parma	"	22/12/2029	212	2.057	**2.269**
Parma Ovest	"	12/10/2032	123	1.613	**1.736**
Pavia	"	31/01/2027	103	683	**786**
Perugia	"	24/09/2032	102	1.333	**1.435**

follows

Other financial institutions	Interest rate	Expiry date	Current	Non current	Balance at 31.12.2021
Continues					
Peschiera	Euribor + spread	24/02/2033	2.027	-	**2.027**
Pioltello	"	19/11/2027	171	1.294	**1.465**
Pisa	"	24/02/2033	2.073	-	**2.073**
Rovato	"	04/08/2027	149	1.152	**1.301**
Rozzano	"	23/09/2026	174	1.058	**1.232**
Saronno	"	09/04/2030	119	1.265	**1.384**
Segrate	"	30/11/2030	220	2.148	**2.368**
Senigallia	"	10/06/2027	99	710	**809**
Seregno Calavera	"	16/11/2032	145	1.935	**2.080**
Sesto Fiorentino	"	11/11/2030	297	3.161	**3.458**
Tradate	"	18/10/2028	138	1.272	**1.410**
Treviso Silea	"	28/05/2027	243	1.203	**1.446**
Trezzano	"	09/09/2026	219	1.115	**1.334**
Trieste	"	23/10/2031	196	2.010	**2.206**
Vicenza	"	08/10/2027	129	877	**1.006**
Vigevano	"	07/03/2030	131	1.253	**1.384**
Voghera	"	01/12/2028	122	582	**704**
Other minor leasings	"		287	1.425	**1.712**
Bond Private Placement	0,00%	2021-2031	697	100.000	**100.697**
Due to Factoring companies	Euribor + spread		21.279	-	**21.279**
Other Relationships	"		1.718	85	**1.803**
Total			**40.671**	**181.947**	**222.618**

19. Derivatives

(Euro/000)	**31.12.2021**	31.12.2020	Difference
	IRS	Exchange Rates	Total
Non-current assets	-	-	0
Current assets	403	414	817
Non-current liabilities	-	-	0
Current liabilities	(349)	-	(349)
Total	**54**	**414**	**468**

(Euro/000)	**31.12.2021**	31.12.2020	Difference
	IRS	Exchange Rates	Total
Non-current assets	-	1.818	1.818
Current assets	-	93	93
Non-current liabilities	(112)	-	(112)
Current liabilities	(998)	(73)	(1.071)
Total	**(1.110)**	**1.838**	**728**

The Group uses financial instruments offered by the market (including so-called "derivatives") solely with a view to optimizing debt cost and hedging interest and exchange rate fluctuations.

Several interest rate swap contracts were existing at 31 December 2021, through which the variable EURIBOR rate was replaced with a fixed rate. The measurement of these contracts resulted in the recognition of a total asset of Euro 54 thousand (a liability of Euro 1,110 thousand at 31 December 2020).

The measurement of the hedging contracts for exchange rate risks instead resulted in the recognition of a current asset of Euro 414 thousand, almost entirely relating to forward purchases of US dollars and Euro entered into by subsidiary Marr Russia LLC.

20. Employee benefits

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Staff Severance Provision	24.541	23.354	1.187
Other benefits	9	6	3
Total	**24.550**	**23.360**	**1.190**

Staff Severance Provision

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Opening balance	23.354	23.671	(317)
Effect of the change in consolidation area	1.918	566	1.352
Use for the financial year	(2.405)	(2.066)	(339)
Financial year provision	1.026	1.167	(141)
Actuarial (gain) losses	709	66	643
Other changes	(61)	(50)	(11)
Closing balance	**24.541**	**23.354**	1.187

In addition to the portion accrued in the period, net of decreases, the change in respect of last year is related to the increase of Group employees following the change in the scope of consolidation.

It is noted that the allocation for the period includes actuarial losses totalling Euro 709 thousand booked, net of the theoretical tax effect, in the appropriate shareholders' equity reserve as provided in IAS 19 (see the information reported for changes in Shareholders' Equity).

With reference to the significant actuarial hypotheses (such as indicated in the paragraph "Main accounting judgements estimates and assumption adopted by the Management" and discretional measurements"), the table below shows the effects on the final liabilities deriving from the possible changes to them.

(Euro/000)	Turnover rate +1%	Turnover rate - 1%	Inflation rate + 0,25%	Inflation rate - 0,25%	Discount rate + 0,25%	Discount rate - 0,25%
Effect on the final liability	24.362	24.739	24.810	24.276	24.143	24.951

It is also noted that the contribution expected for next year is about Euro 1,002 thousand; the future payments expected for the next year can be estimated as a total of Euro 1.9 million.

21. Provisions for risks and charges

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Provisions for taxes	346	369	(23)
Labour disputes	1.615	2.797	(1.182)
Minor lawsuits and disputes	696	446	250
Supplementary clientele severance indemnity	8.136	8.393	(257)
Provision for losses on equity investments	-	-	-
Provision for future risks and losses	7.314	6.213	1.101
Total	**18.107**	**18.218**	**(111)**

The item "Labour disputes" includes the sums allocated against contingent liabilities deriving from disputes with employees.

The supplementary clientele severance indemnity was allocated based on a reasonable estimate of the probable future liability.

The provision for future risks and losses was allocated mainly against probable liabilities connected to legal disputes in progress. The most significant amount, equal to about Euro 2.5 million, was set aside by subsidiary Ges.Car S.r.l. in relation to the dispute pending with the Lodi INPS (Italian Social Security Institute) office, which did not acknowledge the decontribution provided for in the Jobs Act. At the end of 2019, the Milan Court of

Appeal, Labour Division, handed down the second-instance ruling which, just like that issued by the court of first instance, determined the Company's right to benefit from the aforementioned reduction in social security contributions envisaged for the three-year period from 2016 to 2018 for new hires. Since the time limits for appeal have now expired and notice has been received that the INPS Central Lawyer's Office in Rome has proposed a binding opinion in relation to the aforesaid judgment, the latter must be regarded as having become final and the Company is therefore fully entitled to benefit from the aforesaid reduction. The provision against this liability, which is no longer required, is now intended to cover the risk from tax disputes pending with the Milan Revenue Agency, which, during 2018, challenged the lawful deductibility of VAT relating to the work contract with Consorzio Euro 2000 for the years from 2009 to 2015.

The provision for risks also includes an allocation of about Euro 1.7 million, which was made by subsidiary INALCA S.p.A. during the year in relation to the possibility of having to make repayments of grants obtained as a result of the pandemic emergency, if the ceilings imposed by EU regulations on state aid (Temporary Framework 3.1 “Limited Amounts of Aid”) should be exceeded.

As regards the tax disputes pending between MARR S.p.A. and the Customs Agency (which arose in 2007 in relation to the payment of preferential customs duties on certain imports of seafood products and for which, despite the rejection of the appeals submitted by the Company, the judges in the first phase of proceedings accepted the fact that the company was entirely extraneous to the claimed irregularities, as they were attributable exclusively to its suppliers), it should be noted that they were definitively settled in favour of the Company by judgment no. 110 of 2020 issued by Tuscany Regional Tax Board on 19 April 2021.

Contingent liabilities

On 5 March 2021 the Milan INPS office, and on 1 April 2021 and 23 April 2021 the Bologna INPS office, served three Inspection Reports on MARR S.p.A., due to the solidarity obligation under Article 29 of Legislative Decree 276/2003, raising objections concerning omitted payments of contributions and/or undue setoffs against service cooperative companies as consortium members of two service contracting companies, which terminated their relationship with MARR during 2019 and April 2021.
MARR S.p.A., supported by the opinion of its consultants, including on the basis of the statements submitted and the first two hearings, believes that no significant loss can arise against the Company.

22. Deferred tax liabilities

As at 31 December 2021, this item amounted to Euro 33,516 thousand mainly and derived from the effect consequent to application of the international accounting standards (among which is the revaluation of the real estate), different tax treatment of leasing and the effects deriving from the consolidating entries, instalments of capital gains and other miscellaneous items.

23. Other non-current liabilities

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Accrued expenses and deferred income	803	348	455
Non - current tax liabilities	1.106	1.917	(811)
Payables to Social Security Institutions	1	2	(1)
Other payables	2.170	1.560	610
Total	**4.080**	**3.827**	**253**

“Accrued expenses and deferred income” include the amount of Euro 377 thousand due beyond 12 months of deferred interest income from customers of MARR S.p.A..

“Non-current tax liabilities” relate almost exclusively to the Catering sector and concern the debt for the substitute tax connected with the revaluations carried out on “Chef Express” and “Roadhouse” brands according to the provisions laid down in Law no. 126 of 13 October 2020.
Instead, “Other payables” fully relate to security deposits paid by the transporters of subsidiary MARR S.p.A.

Current liabilities

24. Current financial payables

(Euro/000)	31.12.2021	31.12.2020	Difference
Payables to controlling companies	**2.188**	**2.178**	**10**
Cremofin S.r.l.	2.188	2.178	10
Payables to unconsolidated subsidiaries	**650**	**650**	**-**
Payables to associated companies	**-**	**-**	**-**
Time Vending S.r.l.	-	-	-
Other payables			-
Payables to banks	461.186	498.124	(36.938)
Payables to other financial institutions	40.671	43.440	(2.769)
Other payables	-	5.697	(5.697)
Closing balance	**504.695**	**550.089**	**(45.394)**

The breakdown of the items "Payables to banks" and "Payables to other financial institutions" is outlined in paragraph 18 above.

Net Debt

The net debt and details of its main components is shown below.

(Euro/000)	31.12.2021	31.12.2020
A. Cash	12.563	7.213
B. Cash equivalent	317.734	377.018
C. Financial assets held for sale	-	-
D. Liquidity (A) + (B) + (C)	**330.297**	**384.231**
E. Current financial assets	**25.981**	**9.914**
F. Current bank liabilities	461.186	498.124
G. Current financial instruments	(468)	979
H. Other current financial liabilities	46.629	52.205
H.1 Other current financial liabilities (right of use)	67.439	56.167
I- Current financial liabilities	**574.786**	**607.475**
J. Current net debt (I) - (E) - (D)	**218.508**	**213.330**
K. Non current bank liabilities	548.874	626.050
L. Bonds	-	-
M. Other non current financial liabilities	152.691	83.673
M1. Other non current financial liabilities (right of use)	308.054	271.544
N. Non current financial instruments	-	(1.706)
O. Non current debt (K) + (L) + (M) + (N)	**1.009.619**	**979.561**
P. Net Debt (J) + (O)	**1.228.127**	**1.192.891**

Some loan agreements provide for financial covenants on the happening of which the bank reserve the right to terminate the loan. The covenants of the loan agreements outstanding at 31 December 2021, which were respected, are shown in the tables below.

With regard to the non-compliance with financial covenants on certain loans, reference should be made to point 18 above.

Table 1

(Euro/000)	UBI Banca S.p.A. (a)(I)	BNL S.p.A. (a)(II)	Creval S.p.A.(a)(I)	Credit Agricole Cariparma (a)(I)
Amount of the loans as at 31 December 2021	15,048	30,000	6,273	7,525
Recipient of the loan	MARR S.p.A.	MARR S.p.A.	MARR S.p.A.	MARR S.p.A.
Expiry date	20/05/2023	30/09/2023	05/01/2024	09/04/2026
Covenants				
Net Debt/Equity	<= 2.0	<= 2.0	<= 2.0	<=2.0
Net Debt/Ebitda	<= 3.0	<= 3.0	<= 3.5	<= 4.0
Ebitda/Net financial expenses		>= 4.0		

Table 2

(Euro/000)	Pool Finan. BNP Paribas (Unique line as per Amendement of 31/03/2015)) (a)(II)	PRICOA Private placement (II)	Banca Intesa Sanpaolo - Tranche A (a)(I)	Banca Intesa Sanpaolo - Tranche B (a)(I)
Amount of the loans as at 31 December 2021	9,286	99,819	12,000	30,000
Recipient of the loan	MARR S.p.A.	MARR S.p.A.	MARR S.p.A.	MARR S.p.A.
Expiry date	30/06/2022	29/07/2031	24/02/2023	24/02/2023
Covenants				
Net Debt/Equity	<2.0	<=1,5	<=2,0	<=2.0
Net Debt/Ebitda	< 3.5	< =3,5	< =3,5	< =3.5
Ebitda/Net financial expenses	> 4.0	> =4,0	> =4,0	> =4.0

Table 3

(Euro/000)	Banca Popolare dell'Emilia Romagna (a)(I)
Amount of the loans as at 31 December 2021	10,000
Recipient of the loan	MARR S.p.A.
Expiry date	25/10/2025
Covenants	
Net Debt/Equity	<=2,0 (b)
Net Debt/Ebitda	<= 4,0
Ebitda/Net financial expenses	

(a) covenants calculated on the consolidated financial statements of MARR S.p.A.;
(b) index calculated with reference to the financial statements approved at 31 December 2022, =< 3.5 as from the financial statements approved at 31 December 2023;
(I) covenants verified annually at the year-end;
(II) covenants that are respected and verified with reference to 31 December and 30 June of each year.

Table 4

(Euro/000)	Sberbank	Sberbank	Sberbank	Sberbank
Amount of the loans as at 31 December 2021	5,146 (*)	2,386 (*)	14,068(*)	7,561 (*)
Recipient of the loan	Orenbeef L.l.c.	Orenbeef L.l.c.	Kaskad Llc	Kaskad Llc
Expiry date	14/10/2024	18/07/2023	18/06/28	28/12/2022
Covenants				
Net Debt/Ebitda (c)			< 4.0	< 4.0
Net Income/Revenues (c)			> 0	> 0
Net Debt/Ebitda (d)	< 4.9	< 4.9	< 4.9	< 4.9
Ebitda/interests (d)	>2.4	>2.4	>2.4	>2.4
Ebit/Revenues (d)	> 0.025	> 0.025	> 0.025	> 0.025

Table 5

(Euro/000)	Sberbank
Amount of the loans as at 31 December 2021	3,277 (*)
Recipient of the loan	Agrosakmara Llc
Expiry date	19/10/2024
Covenants	
Net Debt/Ebitda (c)	
Net Income/Revenues (c)	
Net Debt/Ebitda (d)	< 4.9
Ebitda/interests (d)	>2.4
Ebit/Revenues (d)	> 0,025

(c) covenants calculated on the financial statements of Marr Russia LlC. (quarterly verified);
(d) covenants calculated on the consolidated financial statements of Kaskad LLC. (annually verified);
(*) the euro value is shown at the Euro/RUR exchange rate on 31/12/21.

Table 6

(Euro/000)	BNL S.p.A. (e)	Banca Intesa Sanpaolo (e)	Rabo bank (e)	Banca del Mezzogiorno - MedioCredito Centrale S.p.A. (e)
Amount of the loans as at 31 December 2021	6,700	68,727	87,083	7,057
Recipient of the loan	INALCA S.p.A	INALCA S.p.A	INALCA S.p.A	INALCA S.p.A
Expiry date	10/07/2022	24/09/2025	04/06/2027	30/09/2023
Covenants				
Net Debt/Ebitda	< 3.5	< 3.5	<= 3.5	<= 3.5
Net Debt/Patrimonio Netto	< 0.9	< 0.9	< =0.9	< =0.9

e) covenants calculated on the consolidated financial statements of INALCA S.p.A., net of the effects of the adoption of IFRS 16.

Table 7

(Euro/000)	BNL S.p.A. (e)	BPER Banca S.p.A. (e)	Banca Intesa Sanpaolo (e)	Rabo bank (e)
Amount of the loans as at 31 December 2021	18,000	10,000	2,500	60,000
Recipient of the loan	INALCA S.p.A	INALCA S.p.A	INALCA S.p.A	INALCA S.p.A
Expiry date	09/10/2024	21/12/2022	30/06/2022	24/03/2027
Covenants				
Net Debt/EBITDA	< 3.5	< 3.5	< 3.5	< 3.5
Net Debt/Equity	< 0.9	< 0.9	< 0.9	< 0.9

e) covenants calculated on the consolidated financial statements of INALCA S.p.A., net of the effects of the adoption of IFRS 16.

Table 8

(Euro/000)	ING BANK N.V. (e)	BPER Banca S.p.A. (e)
Amount of the loans as at 31 December 2021	60,000	20,000
Recipient of the loan	INALCA S.p.A	INALCA S.p.A
Expiry date	26/05/2027	28/10/2025
Covenants		
Net Debt/EBITDA	< 3.5	< 3.5
Net Debt/Equity	< 0.9	< 2.0

e) covenants calculated on the consolidated financial statements of INALCA S.p.A., net of the effects of the adoption of IFRS 16.

Table 9

(Euro/000)	ING BANK Pol	BNL S.p.A. (f)	ING BANK N.V.
Amount of the loans as at 31 December 2021	653 (*)	6,000	35,500
Recipient of the loan	Mille Sapori Plus S.p.z.o.o.	Inalca F&B S.r.l.	Zaklady Miesne Soch. S.p.zo.o.
Expiry date	31/10/2023	09/10/2024	31/12/2026
Covenants			
Net Debt/Ebitda	< 3,0 (f)	< 3.5	< 3.5 (g)
Net Debt/Patrimonio Netto		< 0.9	< 0.9 (g)
Ebitda/Net financial expenses		-	-
Tangible Net worth/Total Assets			>30% (h)
DSCR	>1,1 (h)		(**)

f) covenants calculated on the consolidated financial statements of INALCA S.p.A.;
(g) covenant calculated on the local financial statements of Zaklady Miesne Sochocin S.p.zo.o.;
(h) covenant calculated on the local financial statements of Mille Sapori Plus Sp.zo.o (*)the euro value is shown at the euro /PLN exchange rate on 31/12/21;
(**) DSCR>1.25 from 2023, similarly for DSCR forecasts for subsequent years.

Table 10

(Euro/000)	Banca Intesa Sanpaolo S.p.A. (i)
Amount of the loans as at 31 December 2021	37,000
Recipient of the loan	Cremonini S.p.A.
Expiry date	30/06/2027
Covenants	
Net Debt/EBITDA	<= 3.5
Net Debt/Equity	<= 2.0
Ebitda/Net financial expenses	

(i) covenants calculated on the consolidated financial statements of Cremonini S.p.A., net of the effects of the adoption of IFRS 16.

Table 11

(Euro/000)	Cassa di Risparmio di Cento S.p.A. (i)	Unicredit S.p.A. (i)	UBI Banca S.p.A. (i)	Fin in Pool Banco BPM S.p.A.-BPER Banca S.p.A.-Intesa Sanpaolo S.p.A. -Fin.to DL 8/4/2020 nr.23 (i)
Amount of the loans as at 31 December 2021	2,528	10,000	6,019	67,500
Recipient of the loan	Chef Express S.p.A.	Chef Express S.p.A.	Chef Express S.p.A.	Chef Express S.p.A.
Expiry date	01/04/2024	12/05/2022	21/05/2023	30/06/2023
Covenants				
Net Debt/EBITDA	<=4.0	<=3.0	<=3.0	<=3.0
Net Debt/Equity	<=2.75	<=2.0	<=2.0	<=2.0

(i) covenants calculated on the consolidated financial statements of Cremonini S.p.A., net of the effects of the adoption of IFRS 16.

Table 12

(Euro/000)	Unicredit S.p.A. (i)	Cassa di Risparmio di Cento S.p.A. (i)
Amount of the loans as at 31 December 2020	750	1,666
Recipient of the loan	Roadhouse S.p.A.	Roadhouse S.p.A.
Expiry date	28/01/2022	01/04/2024
Covenants		
Net Debt/EBITDA	<=3.25	<=4.0
Net Debt/Equity		<=2.75

(i) covenants calculated on the consolidated financial statements of Cremonini S.p.A., net of the effects of the adoption of IFRS 16.

25. Current tax liabilities

(Euro/000)	31.12.2021	31.12.2020	Difference
VAT	2.547	2.508	39
IRAP	3.573	2.379	1.194
IRES	7.356	179	7.177
Withholding taxes	10.595	7.872	2.723
Substitute taxes and other taxes payable	10.880	6.950	3.930
Total	**34.951**	**19.888**	**15.063**

IRAP and IRES payables relate to 2021 financial year taxes not yet paid at the year-end.

26. Current trade liabilities

(Euro/000)	31.12.2021	31.12.2020	Difference
Suppliers	**720.504**	**540.996**	**179.508**
Payables to unconsolidated subsidiaries	**4**	**323**	**(319)**
Dolfen S.r.l.	-	318	(318)
Macello di Parma S.r.l.	-	1	(1)
Società Agricola Transumanza S.r.l.	4	4	-
Debiti verso imprese collegate	**436**	**2.939**	**(2.503)**
AGM S.r.l.	5	4	1
Castello do Godego S.r.l.	-	152	(152)
Frimo	(7)	(7)	-
Società Agricola Marchesina S.r.l.	-	2.518	(2.518)
Time Vending S.r.l.	3	1	2
Unitea S.r.l.	435	271	164
Payables to controlling companies	-	**2.238**	**(2.238)**
Creso S.r.l.	-	21	(21)
Sociatà Agricola La Torre S.r.l.	-	**2.217**	**(2.217)**
Total	**720.944**	**546.496**	**174.448**

Current trade payables refer primarily to balances deriving from commercial operations and the amount payable to Trade Agents.

27. Other current liabilities

(Euro/000)	31.12.2021	31.12.2020	Difference
Accrued expenses and deferred income	8.971	5.743	3.228
Inps/Inail/Scau	12.538	8.286	4.252
Inpdai/Previndai/Fasi/Besusso	190	168	22
Enasarco/FIRR	1.155	1.049	106
Payables to other social security institutions	4.475	4.531	(56)
Other payables			
Advances and other payables to customers	3.562	3.928	(366)
Payables for employee remuneration	57.566	45.547	12.019
Payables for acquisition of equity investments	3.049	289	2.760
Guarantee deposits and down payments received	96	117	(21)
Payables to directors and auditors	644	549	95
Payables to agents	184	220	(36)
Other minor payables	6.464	5.617	847
Total	**98.894**	**76.044**	**22.850**

The item "Accrued expenses and deferred income" includes the liability connected to the retention programme involving customers of "Roadhouse Club". This programme, valid throughout Italy, provides for the accumulation of points and the accrual of credits utilizable in the Roadhouse restaurants participating in the initiative. The liability amounted to about Euro 2,259 thousand at 31 December 2021.

The payable to employees includes the current remuneration yet to be paid as at 31 December 2021 and the allocations relating to deferred remuneration.

Guarantees, sureties and commitments

(Euro/000)	31.12.2021	31.12.2020	Difference
Direct guarantees – sureties			
- other companies	147.605	126.775	20.830
	147.605	**126.775**	**20.830**
Direct guarantees – letter of comfort			
- associated companies	27.400	25.655	1.745
	27.400	**25.655**	**1.745**
Other risks and commitments	15.716	17.999	(2.283)
Total guarantees, sureties and commitments	**190.721**	**170.429**	**20.292**

Direct guarantees - sureties

These guarantees include both the guarantees given directly by the companies, both in the interests of Group companies and third parties to banks for loans or credit lines, and those guarantees for which the Parent Company is jointly liable, given by banks or insurance companies, for a variety of commercial transactions, for Group VAT set-offs, for participation in tenders, etc..
Other companies – It should be noted that, with reference to guarantees to "Other companies", this is the classification normally given to guarantees given directly to third parties by Group companies, but exclusively in their own interests. Such guarantees are rarely given in the interests of third-party companies and even in such a case, in the context of transactions effected for the benefit of Group companies. In particular, this item includes the following (in thousands of euro):

Company to which the guarantee is provided (Euro/000)	Beneficiary	Amount	Reason
Revenue Office/VAT Office Modena	Cremonini S.p.A. and other subsidiaries	49.687	VAT for compensation.
Highways and Oil Companies	Cremonini S.p.A. subsidiares	30.267	Guaranteeing successful conclusion of contracts (services, maintainance).
Ferrovie dello Stato and operating companies (Grandi Stazioni, Cento Stazioni, Fer Servizi, Trenitalia, etc)	Cremonini S.p.A. and other subsidiaries	15.395	Guaranteeing concessions for on-board catering services, station buffets and operation of storage facilities.
Public Agencies	Cremonini S.p.A. subsidiares	13.480	Garantees release for the timely execution of contracts lasting several years.
Airports	Cremonini S.p.A. subsidiares	17.122	Guaranteeing successful conclusion of contracts.
Other minor items	Cremonini S.p.A. and other subsidiaries	21.654	Administration of rented properties, energy supplies, credit cards, successful conclusion of contracts, etc.
Total		**147.605**	

Direct guarantees – comfort letters

The letters of comfort solely regard the guarantees provided to the lending institutions for the granting of loans or credit lines.

Indirect guarantees – credit mandates

The credit mandates relate to bank overdrafts and endorsement credits of subsidiaries guaranteed by credit lines granted by banks to the Group.

Other risks and commitments

Details of "Other risks and commitments", for commitments of Group companies, are shown below (in thousands of euro):

Description	Company to which the risk or commitment refers	Amount
Promise of purchase of property	Roadhouse S.p.A.	1.750
Credit letter of purchase of goods	Marr S.p.A.- As.Ca.	12.088
Other sundry	Fiorani & C S.p.A. - Italia Alimentari S.p.A.	1.878
Total		**15.716**

"Commitments for real estate purchases" regard preliminary contracts to buy real estate where the Roadhouse S.p.A. restaurant chain can be further developed.
The item "Letters of credit for goods purchases" relates to letters of credit, issued by some banks, to guarantee obligations to our foreign suppliers.
The "Other sundry" item regards third party consignment goods at the Fiorani & C. S.p.A. and Italia Alimentari S.p.A. warehouses.

Details of the main items of the consolidated income statement

28. Revenues

Revenues are broken down as follows:

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Revenues from sales - Finished goods	1.853.324	1.664.956	188.368
Revenues from sales - Goods for resale	1.824.244	1.383.133	441.111
Revenues from sales - Oil	13.466	7.301	6.165
Revenues from sales - Others	66.839	58.406	8.433
Revenues from services	171.123	143.230	27.893
Advisory services to third parties	261	348	(87)
Rent income	1.353	2.463	(1.110)
Other revenues from ordinary activities	50.681	56.893	(6.212)
Total	**3.981.291**	**3.316.730**	**664.561**

As at 31 December 2020 revenues from sales and services were affected by the stringent restrictions imposed on tourism and catering activities under the measures put in place to contain the pandemic in Italy as from the end of February, which are still applicable. The 2021 financial year, although characterised by discontinuous phases, recorded a significant increase in sales, mainly concentrated in the summer months.

Below is a breakdown of revenues by geographical area:

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Italy	3.032.825	2.527.287	505.538
European Union	339.241	296.436	42.805
Non-EU countries	609.225	493.007	116.218
Total	**3.981.291**	**3.316.730**	**664.561**

As regards the revenues trend, you are referred to the details in the Directors' Report.

29. Other revenues

The other revenues can be broken-down as follows:

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Contributions by suppliers and others	29.764	19.081	10.683
Operating grants	8.030	7.366	664
Other sundry revenues	57.972	65.073	(7.101)
Total	**95.766**	**91.520**	**4.246**

The item "contributions from suppliers and others" mainly includes the contributions obtained for various titles from the suppliers for commercial promotion of their products at our customers; as far as this is concerned, it should be borne in mind that a part of the suppliers' contributions for the agreements for the award of end-of-year bonuses is recognised as a reduction in goods purchasing costs.

Other sundry revenues

(Euro/000)	31.12.2021	31.12.2020	Difference
Rent income	968	1.376	(408)
Insurance reimbursements	4.301	4.777	(476)
Capital gains on disposal of capital goods	1.404	1.373	31
Other cost reimbursements	11.029	3.999	7.030
Services, consultancy and other minor revenues	40.270	53.548	(13.278)
Total	**57.972**	**65.073**	**(7.101)**

"Services, consultancy and other minor revenues", amounting to Euro 40.3 million, decreased by Euro 13.2 million compared to Euro 53.5 million in 2020. It should be noted that the balance of the previous year included the following non-recurring components:

- Production sector – the granting of Euro 11.4 million of relief from social security contributions prescribed by regulations (Jobs Act), the benefit from which was suspended in 2016 in consideration of the litigation with the INPS;
- Distribution sector – an income was recognised for Euro 2.3 million in relation to the collection of an amount receivable, which had been stated among losses in previous years following an insolvency procedure.

30. Costs for purchases

(Euro/000)	31.12.2021	31.12.2020	Difference
Costs for purchases - Raw materials	(1.280.024)	(1.129.870)	(150.154)
Costs for purchases - Goods for resale	(1.327.950)	(950.922)	(377.028)
Costs for purchases - Secondary materials, consumables, semi-finished goods, packages	(127.547)	(108.314)	(19.233)
Costs for purchases - Finished goods	(45.769)	(39.913)	(5.856)
Costs for purchases - Oil	(12.978)	(6.901)	(6.077)
Costs for purchases - Stationery and printed paper	(1.973)	(1.643)	(330)
Changes in inventories of raw materials, secondary materials, consum. and goods for re	105.344	(52.275)	157.619
Other costs for purchases	(81.159)	(76.204)	(4.955)
Total	**(2.772.056)**	**(2.366.042)**	**(406.014)**

You are referred to the Directors' Report and the marginality analysis, subdivided by individual business sectors, for a careful examination of the purchases cost trend.

"Costs for purchases - Oil" are related to the sale of fuel in the motorway service stations and refer to the corresponding "Revenues from oil sales", an item attributable entirely to the Catering sector.

31. Other operating costs

(Euro/000)	31.12.2021	31.12.2020	Difference
Costs for services	(515.681)	(436.617)	(79.064)
Costs for leases and rentals	(31.972)	(19.670)	(12.302)
Other operating charges	(23.847)	(20.953)	(2.894)
Total	**(571.500)**	**(477.240)**	**(94.260)**

Costs for services

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Energy consumption and utilities	(73.903)	(44.277)	(29.626)
Maintenance and repairs	(30.413)	(27.633)	(2.780)
Transport on sales	(114.316)	(95.405)	(18.911)
Commisions, commercial and distribution services	(104.796)	(91.237)	(13.559)
Third-party services and outsourcing	(35.580)	(38.674)	3.094
Purchasing services	(32.765)	(28.509)	(4.256)
Other technical and general services	(123.908)	(110.882)	(13.026)
Total	**(515.681)**	**(436.617)**	**(79.064)**

The increase in service costs relates for Euro 40.4 million to the Distribution sector, for Euro 29.2 million to the Production sector and for Euro 8.7 million to the Catering sector.

Costs for leases and rentals

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Lease of business premises, royalties and others	(20.270)	(8.900)	(11.370)
Costs for leases	(39)	(282)	243
Leases and rentals related to real and personal property	(11.663)	(10.488)	(1.175)
Total	**(31.972)**	**(19.670)**	**(12.302)**

Costs for leases and rentals totalled Euro 32.0 million and their increase compared to the previous year was mainly due to a rise in lease rentals, the calculation of which is connected with the performance of revenues, and therefore do not fall within the scope of application of the accounting standard IFRS 16.

Other operating charges

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Losses on receivables	(603)	(2)	(601)
Indirect taxes and duties	(11.125)	(9.807)	(1.318)
Capital losses on disposal of assets	(881)	(975)	94
Contributions and membership fees	(2.053)	(1.581)	(472)
Other minor costs	(9.185)	(8.588)	(597)
Total	**(23.847)**	**(20.953)**	**(2.894)**

"Other minor costs" include the amounts for various costs, non-deductible expenses, fines, and corporate costs, in addition to contingent liabilities.

32. Personnel costs

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Salaries and wages	(277.427)	(249.414)	(28.013)
Social security contributions	(76.635)	(71.395)	(5.240)
Staff Severance Provision	(21.431)	(17.256)	(4.175)
Pension and similar provisions	(50)	(299)	249
Other personnel costs	(23.820)	(14.398)	(9.422)
Total	**(399.363)**	**(352.762)**	**(46.601)**

This item includes all the personnel costs, including holiday accruals and additional monthly pay as well as the related welfare charges, allocation for employee leaving indemnities and other contractually envisaged costs. The increase compared to the previous year is the direct consequence of higher business volumes due to the different situation that characterised the 2021 financial year compared to 2020.
The increase in personnel costs is attributable for Euro 18.6 million to the Production sector, for Euro 17.6 million to the Catering sector and for Euro 8.9 million to the Distribution sector.
In the Production sector the increase is partly linked to the effects deriving from the different scope of

consolidation (+ Euro 18.6 million), as well as the consolidation of Castelfrigo S.r.l. for the entire year and the inclusion of Dolfen S.r.l., Macello di Parma S.r.l. and Royi Wine & Spirit (China) Ltd in the scope of consolidation. It also included the effect of lower use than in the previous year concerning wage-supplement schemes and any other similar form of subsidy at some foreign subsidiaries.

In the Catering sector, on the contrary, the increase was attributable to the reopening of outlets, which took place following the resumption of operations after the easing of measures to contain the Covid-19 pandemic, which had severely affected the previous year.

As at 31 December 2021 the Group employees amounted to 13,242 compared to 13,458 at 31 December 2020. The employees in the Distribution and Production sectors increased by 147 and 142 units, respectively, while in the Catering sector they decreased by 431 units.

The breakdown by category and average number of employees in 2021 is shown in the following schedule:

	Factory staff	Office staff	Managers	**Total**
Employees as at 31.12.2020	10.628	2.662	168	13.458
Employees as at 31.12.2021	**10.374**	**2.714**	**154**	**13.242**
Increases (decreases)	(254)	52	(14)	(216)
Average no. of employees during year 2021	**10.476**	**2.620**	**148**	**13.244**

33. Amortization, depreciation, write-downs and provisions

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Depreciation of tangible assets	(97.649)	(97.729)	80
Amortization of intangible assets	(5.421)	(5.838)	417
Amortization of right of use	(52.130)	(56.874)	4.744
Other write-downs of fixed assets	(4.539)	(3.788)	(751)
Write-downs and provisions	(24.379)	(33.336)	8.957
Total	**(184.118)**	**(197.565)**	**13.447**

"Other write-downs of fixed assets" include the effects of the impairment test on the goodwill, which impacted for Euro 1,604 thousand in 2021 and Euro 2,065 thousand in 2020. This item also includes an amount of Euro 989 thousand of write-downs of fixed assets installed at some retail outlets, which are being disposed of.
For more details on the items reported above, please refer to the related movement of tangible and intangible assets and rights of use shown in Annexes 3, 4 and 5.
"Write-downs and provisions" mainly include write-downs of receivables of Euro 20.8 million and provisions for disputes and litigation of Euro 3.0 million.

34. Financial (Income)/Charges

(Euro/000)	**31.12.2021**	31.12.2020	Difference
Net exchange rate differences	8.107	(25.524)	33.631
Income (Charges) from management of derivatives	(474)	(378)	(96)
Net financial Income (Charges)	(16.322)	(14.353)	(1.969)
Right of use financial charges	(24.886)	(23.047)	(1.839)
Total	**(33.575)**	**(63.302)**	**29.727**

Exchange rate differences

(Euro/000)	31.12.2021	31.12.2020	Difference
Realized exchange rate profits	7.249	6.687	562
Realized exchange rate losses	(4.673)	(15.610)	10.937
Unrealized exchange rate profits	6.350	772	5.578
Unrealized exchange rate losses	(997)	(16.847)	15.850
Realized income from management of exchange rate derivatives	154	612	(458)
Evaluated income from management of exchang rate derivatives	67	-	67
Realized charges from management of exchange rate derivatives	(43)	(1.052)	1.009
Evaluated charges from management of exchange rate derivatives	-	(86)	86
Total	**8.107**	**(25.524)**	**33.631**

The net exchange rate valuation differences refer to the valuation of balances in the statement of assets and liabilities in foreign currencies to the existing exchange rates at the end of the financial year.
Foreign exchange gains mainly related to INALCA S.p.A. and Inalca Angola Ltda., which benefited from the significant revaluation of the local currency. There was a decrease in the amount of exchange rate losses, which had included the effect of the significant depreciation of the Angolan Kwanza, the Polish Zloty and the Algerian Dinar currencies against the Euro in the previous year.

Income (Charges) from management of derivatives

(Euro/000)	31.12.2021	31.12.2020	Difference
Realized Charges from management of derivatives	(474)	(378)	(96)
Total	**(474)**	**(378)**	**(96)**

Net financial Income (Charges)

(Euro/000)	31.12.2021	31.12.2020	Difference
Financial Income (Charges) due to controlling companies	**(11)**	**(17)**	**6**
Financial income			
- Bank interest receivable	891	1.651	(760)
- Other financial income	3.483	2.883	600
Total financial income	**4.374**	**4.534**	**(160)**
Financial charges			
- Interest payable on loans	(11.901)	(9.767)	(2.134)
- Interest payable on factoring	(1.289)	(1.133)	(156)
- Interest payable on current accounts and others	(3.657)	(4.247)	590
- Other bank charges	(912)	(633)	(279)
- Interest on bonds	(9)	0	(9)
- Other sundry charges	(2.917)	(3.090)	173
Total financial charges	**(20.685)**	**(18.870)**	**(1.815)**
Total financial charges - Right of use	**(24.886)**	**(23.047)**	**(23.047)**
Total	**(41.208)**	**(37.400)**	**(25.016)**

The increase in "Interest payable on loans" was mainly attributable to subsidiary MARR S.p.A. due to having accounted for an amount of about Euro 2.9 million, during the second quarter of 2021, relating to the make-whole clause resulting from the early repayment, on 23 July 2021, concerning the last tranche of the outstanding debt of USD 33 million relating to the USPP bond underwritten in July 2013 and originally maturing in July 2023.

It should be noted that interest expenses from rights of use arising from the adoption of IFRS 16 include an amount of Euro 112 thousand relating to the lease agreements attributable to the operations of MARR S.p.A. with its related party Le Cupole di Castelvetro (MO), for the lease of an industrial building located in Rimini.

35. Income taxes

(Euro/000)	**31.12.2021**	31.12.2020	Difference
IRES	(19,215)	(3,064)	(16,151)
IRAP	(8,916)	(4,632)	(4,284)
Foreign company taxes	(10,410)	(5,593)	(4,817)
Tax savings from Patent Box	3,805	4,849	(1,044)
Tax realignment of fixed assets	75	18,329	(18,254)
Tax effect on assets revaluation (hotel sector)	489	-	489
Tax effect on trademark revaluation	-	23,700	(23,700)
Net deferred tax assets/liabilities	1,422	2,027	(605)
Total	**(32,750)**	**35,616**	**(68,366)**

As shown in the breakdown table, the cost of current taxes (IRES/Direct tax on corporate income and IRAP) is significantly higher than that recorded in the previous year due to an improvement in the result for the year.

During 2021, the following non-recurring tax income was accounted for in the Catering sector:

- Chef Express S.p.A. – Euro 3.8 million following the execution of a Ruling agreement with the Revenue Agency for the application of the concessional taxation scheme for income arising from the use of intangible assets, in accordance with Article 1, paragraph 37, of Law no. 190 of 23 December 2014, as regulated by the Decree of the Ministry of Economic Development in agreement with the Ministry of Economy and Finance of 30 July 2015 (Patent Box). This agreement has set out the methods and criteria for calculating the economic contribution to the production of business income (or loss), resulting from the Company's direct management and exploitation of trademarks, with reference to the 2015 tax period and the four subsequent periods;
- a deferred tax asset of Euro 489 thousand as a result of the free revaluation of assets of the hotel division owned by Chef Express S.p.A., which was carried out in accordance with Article 6-*bis* of Decree Law no. 23 of 2020 ("Liquidity Decree).

Information required by Law no. 124/2017

In accordance with the above rules, the list below shows the subsidises, grants, places of profit and financial benefits of any kind obtained from Public Authorities and similar entities, with the particulars of the paying entity, the beneficiary, the amounts received and the type of benefit:

Beneficiary	Granter	Reason	Amount
			(Euro/000)
INALCA S.p.A.	GSE	Contributions for energy production- Biogas plant	1027
INALCA S.p.A.	GSE	Contributions under Green Certificates mechanism	777
INALCA S.p.A.	Fondimpresa	Funds for vocational training	8
INALCA S.p.A.	Ministero Istruzione	Grant for industrial research	RNA
Italia Alimentari S.p.A.	MISE	R&D credit	22.73
Italia Alimentari S.p.A.	CSEA	Grants fo energy-intensive systems	RNA
Realbeef S.r.l.	Ministero Economia Finanze	Credits for investments in the south	332.2
Fiorani S.p.A.	INAIL	OT24	26.4
Fiorani S.p.A.	Unione Europea	Eit Food	2
Fiorani S.p.A.	Fondimpresa	Funds for vocational training	1.2
Fiorani S.p.A.	GSE	Contributions for energy sales	2.7
Società Agricola Corticella S.r.l.	AGREA	EU awards for animals	3228
Società Agricola Corticella S.r.l.	GSE	Contributions for energy production- Biogas plant	513.6
Inalca Food & Beverage S.r.l.	Fondimpresa	Funds for vocational training	RNA
Ges.Car. S.r.l.	Fondimpresa	Funds for vocational training	RNA
Tecno-Star Due S.r.l.	GSE	Contributions for energy sales	0.8
Cremovit S.r.l.	AGREA	EU awards for animals	100
Chef Express S.p.A.	SACE	Guarantees	RNA
Roadhouse Grill Roma S.r.l.	MCC / Banca del Mezzogiorno	Guarantees	RNA
C&P S.r.l. (incorporata Caio S.r.l.)	MCC / Banca del Mezzogiorno	Guarantees	RNA
C&P S.r.l. (incorporata Casa Maioli S.r.l.)	MCC / Banca del Mezzogiorno	Guarantee fund for SMEs	RNA
C&P S.r.l. (incorporata W. Italia S.r.l.)	MCC / Banca del Mezzogiorno	Guarantee fund for SMEs	RNA

In 2021, the Group benefited from a number of tax and social security concessions granted as a result of the economic crisis resulting from the Covid-19 health emergency.
The concessions in question are essentially as follows:

- reduction of TARI waste tax (Decree Law 73/2021);
- sanitization tax credit (Law 77/2020);
- partial exemption from payments of social security contributions for entities in Southern Italy (Law 77/2020).

It should also be noted that certain Group companies have benefited from the Redundancy Fund and the Wages Guarantee Fund, as well as from tax credits for advertising investments (Law 96/2017), leases (Law 103/2021 and Law 176/2020), non-refundable grants (Law 103/2021) and for investments in Southern Italy (Law 208/2015).

As already reported in the paragraph "21. Provisions for non-recurring risks and charges", various Group companies have carried out allocations in relation to the possibility of having to make repayments of grants obtained if the ceilings imposed by EU regulations on state aid (Temporary Framework 3.1 "Limited Amounts of Aid") should be exceeded.

Other information

Pursuant to the law the total fees due to the directors, members of the Board of Statutory Auditors and independent auditors, where applicable, are noted below:

- Directors/ Statutory Auditors: Euro 6,126 thousand
- Independent auditors: Euro 1,013 thousand

Subsequent events

With regard to the events subsequent to the year-end, please refer to the Directors' Report.

* * * * * *

Castelvetro di Modena, 12 April 2022

THE CHAIRMAN

OF THE BOARD OF DIRECTORS

(Claudia Cremonini)

Annexes

These annexes contain information additional to that reported in the notes to the consolidated financial statements, and form an integral part thereof:

Annex 1	-	Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2021;
Annex 2	-	Breakdown of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2021;
Annex 3	-	Statement of changes in tangible assets for the financial year ended as at 31 December 2021;
Annex 4	-	Statement of changes in rights of use for the financial year ended 31 December 2021;
Annex 5	-	Statement of changes in other intangible assets for the financial year ended as at 31 December 2021;
Annex 6	-	List of equity investments classified under financial assets as at 31 December 2021 and others;
Annex 7	-	List of equity investments in subsidiaries and associated companies as at 31 December 2021 (Article 2427, paragraph 5, of the Italian Civil Code) with an indication of those falling within the scope of consolidation.
Annex 8	-	List of consolidated companies broken down by sector.

Annex 1

Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2021

(Euro/000)	Trade		Other		**Total**	
	Receivables	Payables	Receivables	Payables	**Receivables**	**Payables**
Subsidiaries:						
Corte Buona LLC	56	-	-	-	**56**	**-**
Inalca Russia LLC	4	-	1	-	**5**	**-**
Italia Alimentari USA Corporation	354	-	-	-	**354**	**-**
Società Agricola Transumanza S.r.l.	-	4	1.117	-	**1.117**	**4**
Zaino IF&B Co. Ltd	23	-	-	-	**23**	**-**
Provision for bad debts	-		-	-	**-**	**-**
Total subsidiaries	**437**	**4**	**1.118**	**-**	**1.555**	**4**
Associated companies:						
A.G.M. S.r.l.	13	5	493		**506**	**5**
Farm Service S.r.l.	840	-	333	-	**1.173**	**-**
Frigomacello S.r.l.	-	-	749	-	**749**	**-**
Frimo	-	(7)	-	-	**-**	**(7)**
Inalca Emirates Trading Llc	338	-	-	-	**338**	**-**
Inalca West Africa Food & Beverage Ltd	26	-	-	-	**26**	**-**
La Torre Soc.Agr.Consortile Ar.l.	2	-	1.066	-	**1.068**	**-**
Società Agricola Marchesina S.r.l.	1.319	-	3.432	-	**4.751**	**-**
Time Vending S.r.l.	42	3	-	650	**42**	**653**
Unieffebi S.r.l.	-	-	11	-	**11**	**-**
Unitea S.r.l.	1.120	435	-	-	**1.120**	**435**
Provision for bad debts	-	-	-	-	**-**	**-**
Total associated companies	**3.700**	**436**	**6.084**	**650**	**9.784**	**1.086**
Related and controlling companies:						
Cremofin S.r.l.	-	-	-	2.188	**-**	**2.188**
Le Cupole S.r.l.	-	-	-	3.537	**-**	**3.537**
Montagna S.p.A.	-	-	14.100	-	**14.100**	**-**
St.Corus LTD	50	-	-	-	**50**	**-**
Verrini Holding S.r.l.	-	-	63	-	**63**	**-**
Verrini Immobiliare S.p.A.	10	18	33	2.400	**43**	**2.418**
Total related companies	**60**	**18**	**14.196**	**8.125**	**14.256**	**8.143**

Annex 2

Breakdown of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2021

(Euro/000)	Trade		Other		**Total**	
	Revenues	Costs	Revenues	Costs	**Revenues**	**Costs**
Subsidiaries:						
Corte Buona LLC	56	-	-	-	**56**	**-**
Italia Alimentari USA Corporation	34	-	-	-	**34**	**-**
Società Agricola Transumanza S.r.l.	-	38	-	-	**-**	**38**
Total subsidiaries	**90**	**38**	**-**	**-**	**90**	**38**
Associated companies:						
A.G.M. S.r.l.	-	48	-	-	**-**	**48**
Farm Service S.r.l.	7.298	1	-	-	**7.298**	**1**
Jolanda De Colò S.p.A.	7	-	-	-	**7**	**-**
La Torre Soc.Agr.Consortile Ar.l.	10	18.917	14	-	**24**	**18.917**
Società Agricola Marchesina S.r.l.	9.194	11.453	104	-	**9.298**	**11.453**
Time Vending S.r.l.	28	-	237	3	**265**	**3**
Unitea S.r.l.	5.485	2.669	8	-	**5.493**	**2.669**
Total associated companies	**22.022**	**33.088**	**363**	**3**	**22.385**	**33.091**
Controlling companies						
Cremofin S.r.l.	-	-	-	11	**-**	**11**
Total controlling companies	**-**	**-**	**-**	**11**	**-**	**11**
Related companies:						
Creso S.r.l.	-	-	84	-	**84**	**-**
Le Cupole S.r.l.	-	-	4	112	**4**	**112**
LLc Soyuz	459	-	-	-	**459**	**-**
St.Corus LTD	-	2.495	-	-	**-**	**2.495**
Verrini Immobiliare S.p.A.	10	3.504	128	54	**138**	**3.558**
Total related companies	**469**	**5.999**	**216**	**166**	**685**	**6.165**

Annex 3

Statement of changes in tangible assets for the financial year ended as at 31 December 2021

(Euro/000)	Opening position			Changes over the period							Closing position		
	Initial cost	Depreciation provision	Balance at 31.12.2020	Net effects of the change n consolidation a	Acquisitions	Net decreases	(Impairment) Reversal of an impairment	Reclassif./ Other changes	Exchange Differences	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2021
Land and buildings	1.149.815	(349.015)	800.800	1.521	30.326	(3.799)	(141)	34.283	8.675	(39.742)	1.212.899	(380.976)	831.923
Plant and machinery	634.588	(464.131)	170.457	446	36.138	(3.027)	(402)	11.467	1.620	(38.096)	678.637	(500.034)	178.603
Industrial and business equipment	53.814	(42.664)	11.150	93	3.894	(166)	(18)	284	143	(4.205)	57.311	(46.136)	11.175
Other assets	181.014	(118.801)	62.213	49	10.673	(843)	(367)	6.776	552	(15.606)	191.716	(128.269)	63.447
Fixed assets under construction and advances	113.839	0	113.839	-	80.074	(1.683)	-	(52.384)	(62)		139.784	0	139.784
Total	**2.133.070**	**(974.611)**	**1.158.459**	**2.109**	**161.105**	**(9.518)**	**(928)**	**426**	**10.928**	**(97.649)**	**2.280.347**	**(1.055.415)**	**1.224.932**

Annex 4
Statement of changes in rights of use for the financial year ended as at 31 December 2021

(Euro/000)	Opening position			Changes over the period							Closing position		
	Initial cost	Depreciation provision	Balance at 31.12.2020	Net effects of the change n consolidation ar	Acquisitions	Net decreases	(Impairment) Reversal of an impairment	Reclassif./ Other changes	Exchange Differences	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2021
Land and buildings - Right of use	384.097	(96.209)	287.888	3.528	72.010	(5.768)		7.718	231	(49.327)	450.807	(134.527)	316.280
Plant and machinery - Right of use	4.451	(2.027)	2.424		519	(7)		35,00		(1.347)	4.778	(3.154)	1.624
Industrial and business equipment - Right of use	1.137	(281)	856		779				(4)	(99)	2.259	(727)	1.532
Other assets - Right of use	1.942	(557)	1.385	2.099	378	(9)		7,00		(1.357)	4.371	(1.868)	2.503
Total	**391.627**	**(99.074)**	**292.553**	**5.627**	**73.686**	**(5.784)**	**0**	**7.760**	**227**	**(52.130)**	**462.215**	**(140.276)**	**321.939**

Annex 5

Statement of changes in intangible assets for the financial year ended as at 31 December 2021

(Euro/000)	Opening position			Changes over the period						Closing position		
	Initial cost	Amortization provision	Balance at 31.12.2020	Net effects change n consolidation ar	Acquisitions	Net decreases	Reclass. Other changes	Exchange Differences	Amortiz.	Initial cost	Amortization provision	Balance at 31.12.2021
Patents and intellectual property rights	26.844	(21.897)	4.947	133	1.064	(5)	495	1	(2.542)	27.906	(23.813)	4.093
Development costs	655	(594)	61	-	112	-	178	-	(119)	945	(713)	232
Concessions, licences, trademarks and similar rights	24.687	(10.406)	14.281	256	562	1	189	299	(1.775)	25.864	(12.051)	13.813
Fixed assets under development and advances	2.299	-	2.299	(2)	456	-	(1.236)	-	-	1.517	-	1.517
Other intangible assets	12.495	(6.857)	5.638	95	-	(62)	(2.001)	(54)	(928)	7.982	(5.294)	2.688
Total	**66.980**	**(39.754)**	**27.226**	**482**	**2.194**	**(66)**	**(2.375)**	**246**	**(5.364)**	**64.214**	**(41.871)**	**22.343**

Annex 6

List of equity investments classified under financial assets as at 31 December 2021 and others

(Euro/000) Company name	%	Initial value	Purchases or subscriptions	Disposals	(Write-downs) Revaluations	Other Changes	%	Final value	Notes
Subsidiaries:									
Dolfen S.r.l.	51,00	100	-	-	-	(100)	51,00	-	(a)
Imprenditori per E-Marco Polo S.r.l. in liquidazione	100,00	-	-	-	-	-	100,00	-	(c)
Inalca Eurasia Holdings Gesmbh	60,00	61	-	(61)	-	-	60,00	-	
Inalca Foods Nig Limited (in liquidazione)	57,00	-	-	-	-	-	57,00	-	
Inalca Russia L.l.c.	100,00	2	-	-	-	-	100,00	2	
Italia Alimentari Canada Ltd	60,00	-	-	-	-	-	60,00	-	(a)
Italia Alimentari USA Corporation	100,00	366	-	-	-	(4)	100,00	362	
Montana Farm S.p.zo.o.	100,00	105	-	-	-	4	100,00	109	
Royi Wine (Shanghai) LTD	100,00	59	-	-	-	(59)	100,00	-	(a)
Società Agricola Transumanza S.r.l.	51,00	6	-	-	-	(1)	51,00	5	
Total subsidiaries companies		**699**	**0**	**(61)**	**0**	**(160)**		**478**	
Associated companies									
A.G.M. S.r.l.	29,56	75	-	-	-	-	29,56	75	
Avirail S.a.s.	49,00	314	-	-	-	-	49,00	314	
Consorzio I.R.I.S. S.a.r.l.	37,50	4	-	-	-	-	37,50	4	
Creso S.r.l. in liquidazione	50,00	10	-	(10)	-	-	50,00	-	
Farm Service S.r.l.	37,00	257	-	-	-	-	37,00	257	
Frigomacello S.r.l.	50,00	82	9	-	-	-	50,00	91	
Frimo SAM	45,30	527	-	-	-	2	45,30	529	
Inalca Emirates Trading Llc in liq.	49,00	-	-	-	-	-	49,00	-	
Inalca West Africa Food & Beverage Ltd	45,00	76	-	(76)	-	-	45,00	-	
Jolanda De Colò S.p.A.	34,00	1.828	-	-	-	-	34,00	1.828	
Longsi Italia Co Ltd	40,00	-	-	-	-	-	40,00	-	
Parma Charolais S.a.s.	-	-	120	-	-	-	25,00	120	
SCEA PBL	30,00	90	-	-	-	-	30,00	90	
SC Pulsar	30,00	240	-	-	-	-	30,00	240	
Società Agricola Castello di Godego S.r.l.	50,00	323	-	(323)	-	-	50,00	-	
La Torre Soc. Agr. Cons. a r.l.	25,00	5.010	-	-	-	-	25,00	5.010	
Società Agricola Marchesina S.r.l.	50,00	2.780	-	-	-	-	50,00	2.780	
Time Vending S.r.l.	50,00	668	-	-	417	(500)	50,00	585	
Unitea S.r.l.	50,00	950	-	-	290	-	50,00	1.240	
Zaino IF&B Co. Ltd	-	-	-	2.085	-	-	50,00	2.085	
Total associated companies		**13.234**	**129**	**1.676**	**707**	**(498)**		**15.248**	
Other companies:									
Banca Centro Padana		40	-	-	-	-	0,00	40	
B.F. Holding S.p.A.		13.351	-	-	(72)	-	0,00	13.279	(b)
Centro Agroalimentare Riminese S.p.A.		280	-	-	(117)	-	0,00	163	
Futura S.p.A.		963	-	-	-	-	0,00	963	
Gester Soc. Coop		303	-	-	(70)	-	0,00	233	
Montagna Spa		490	-	-	-	-	0,00	490	
Altre minori		170	2	(3)	(8)	-	0,00	161	
Total other companies		**15.597**	**2**	**(3)**	**(267)**	**0**		**15.329**	
Financial assets held for sale									
Government securities of the state of Angola		2.347	10.847	**-**	**-**	**-**	**0**	13.194	
Total Financial assets held for sale		**2.347**	**10.847**	**-**	**-**	**-**	**0**	**13.194**	
Financial assets held for sale									
Banco Popolare Società Cooperativa		174	**-**	**-**	**80**	**-**	**0**	254	**(b)**
Titoli Angolani		-	-	-	-	-	**0**	-	
Total Financial assets held for sale		**174**	**0**	**0**	**80**	**0**	**0**	**254**	

(a) Company now included in the scope of consolidation

(b) the unrealized gain/losses of the equity investment are classified into the specific equity fair value reserve

(c) Liquidated company

Annex 7

List of equity investments in subsidiaries and associated companies as at 31 December 2021 (Article 2427, paragraph 5, of the Italian Civil Code) with an indication of those falling within the scope of consolidation

(thousands Euro) Company name	HQ	Share capital (expressed in Euro, unles otherwise indicated)	Result for the financial year ended 31.12.20	Shareholders' equity at al 31.12.2021	Control share at 31.12.2021	Shareholding at 31.12.2021	Consolidation method	Participants at 31.12.2021	Control share at 31.12.2020	Shareholding at 31.12.2020	Notes
Companies consolidated on a line-by-line basis:											
Agrosakmara Llc.	Orenburg (Russia)	RUR 10.000	(771)	955	100,00%	42,96%	Line by line	99% Orenbeef Llc;1% Kaskad Llc	100,00%	42,96%	(a)
Agrosakmara Bashkiria Llc.	Ufa (Republic of Bashkortostan)	RUR 10.000	2	929	100,00%	42,96%	Line by line	99% Orenbeef Llc;1% Kaskad Llc	100,00%	42,96%	(a)
Antonio Verrini S.r.l.	Santarcangelo di Romagna (RN)	250.000	866	6.606	100,00%	50,42%	Line by line	MARR S.p.A.	-	-	(b)
As.Ca. S.p.A.	Santarcangelo di Romagna (RN)	518.000	1.596	9.854	100,00%	50,42%	Line by line	MARR S.p.A.	100,00%	50,42%	
Bagel Nash (Retail) Limited	Londra (Regno Unito)	GBP 100	142	273	100,00%	100,00%	Line by line	Gabf Holdings Limited	100,00%	100,00%	(a)
Bright View Trading HK Ltd	Chai Wan (Hong Kong)	MYR 1.588.921	776	3.050	69,81%	49,98%	Line by line	Inalca Food & Beverage S.r.l.	69,81%	49,98%	(a)
Castelfrigo LV S.r.l.	Castelnuovo Rangone (MO)	2.500.000	(72)	1.061	100,00%	71,60%	Line by line	Italia Alimentari S.p.A.	100,00%	71,60%	
C&P S.r.l.	Castelvetro di Modena (MO)	100.000	(3.075)	6.639	60,00%	60,00%	Line by line	Chef Express S.p.A.	60,00%	60,00%	
Chef Express S.p.A.	Castelvetro di Modena (MO)	8.500.000	(12.679)	30.374	100,00%	100,00%	Line by line	Cremonini S.p.A.	100,00%	100,00%	
Chef S.r.l. Unipersonale	Santarcangelo di Romagna (RN)	100.000	(249)	(93)	100,00%	50,42%	Line by line	MARR S.p.A.	-	-	(b)
Chef Express UK Ltd.	Londra (Regno Unito)	GBP 80.000	185	340	100,00%	100,00%	Line by line	Chef Express S.p.A.	100,00%	100,00%	(a)
Comit - Comercial italiana de alimentaciòn S.L.	Tenerife (Spagna)	146.880	173	2.039	60,00%	42,96%	Line by line	Inalca Food & Beverage S.r.l.	60,00%	42,96%	
Cremonini Restauration S.a.s.	Parigi (Francia)	1.500.000	80	1.772	100,00%	100,00%	Line by line	Chef Express S.p.A.	100,00%	100,00%	
Cremonini S.p.A.	**Castelvetro di Modena (MO)**	**67.073.932**	**28.078**	**321.587**			**Holding**				
Cremovit S.r.l.	Castelvetro di Modena (MO)	3.000.000	1.540	6.800	51,00%	36,52%	Line by line	Società Agricola Corticella S.r.l.	51,00%	36,52%	
Dolfen S.r.l.	Parma	20.410	1.860	2.091	51,00%						
Fiorani & C. S.p.A.	Piacenza	500.000	6.207	13.108	51,00%	36,52%	Line by line	INALCA S.p.A.	51,00%	36,52%	
Fratelliditalia SA	Playa del Carmen (Messico)	MXN 100.000	83	(2.361)	80,00%	57,28%	Line by line	Inalca Food & Beverage S.r.l.	80,00%	57,28%	(a)
Fresco Gourmet Pty Ltd	North Sidney (Australia)	AUD 5.125.000	(276)	626	100,00%	71,60%	Line by line	Inalca Food & Beverage S.r.l.	100,00%	71,60%	(a)
Gabf Holdings Limited	Londra (Regno Unito)	GBP 7.880.953	(309)	(4.603)	100,00%	100,00%	Line by line	Chef Express UK Ltd.	100,00%	100,00%	(a)
Ges.Car. S.r.l.	Castelvetro di Modena (MO)	500.000	1.753	2.691	100,00%	71,60%	Line by line	INALCA S.p.A.	100,00%	71,60%	
Global Service S.r.l.	Castelvetro di Modena (MO)	93.000	475	1.559	100,00%	100,00%	Line by line	Cremonini S.p.A.	100,00%	100,00%	
Guardamiglio S.r.l.	Piacenza	1.500.000	5.976	7.683	90,00%	64,44%	Line by line	INALCA S.p.A.	90,00%	64,44%	
Hosteria Butarelli S.L.	Gran Canaria (Spagna)	353.000	(59)	76	100,00%	42,96%	Line by line	Comit S.L.	100,00%	42,96%	
IF&B Holding Inc	Dover (Stati Uniti d'America)	USD 179.960	(74)	(27)	100,00%	71,60%	Line by line	Inalca Food & Beverage S.r.l.	100,00%	71,60%	(a)
INALCA S.p.A.	Castelvetro di Modena (MO)	187.017.167	52.434	514.039	71,60%	71,60%	Line by line	Cremonini S.p.A.	71,60%	71,60%	
Ina.Ten. S .r.l.	Castelvetro di Modena (MO)	100.000	64	214	51,00%	36,52%	Line by line	INALCA S.p.A.	51,00%	36,52%	
Inalca Algerie S.a r.l.	Algeri (Algeria)	DA 823.750.000	(922)	4.149	92,26%	66,06%	Line by line	INALCA S.p.A.	70,00%	50,12%	(a)
Inalca Angola Ltda.	Luanda (Angola)	Kwanza 18.665.927.186	11.947	53.477	98,00%	70,17%	Line by line	INALCA S.p.A.	95,00%	68,02%	(a)
Inalca Brazzaville S.a r.l.	Brazzaville (Rep.Congo)	1.981.837	(1.099)	642	100,00%	71,60%	Line by line	INALCA S.p.A.	100,00%	71,60%	(a)
Inalca CI S.a.r.l.	Abidjan (Costa d'Avorio)	FCFA 38.500.000	1.104	2.261	99,00%	70,88%	Line by line	INALCA S.p.A.	99,00%	70,88%	(a)
Inalca Food & Beverage Beijing Co.	Beijing - Cina	CNY 10	0	0	100,00%	23,63%	Line by line	Inalca Food & Beverage Beijing Holding Ltd	100,00%	23,63%	(a)
Inalca Food & Beverage Beijing Holding Ltd	Hong kong - Cina	CNY 10	0	0	60,00%	23,63%	Line by line	Inalca Food & Beverage China Holding Ltd	60,00%	23,63%	(a)
Inalca Food & Beverage China Holding Ltd	Kwai Fong (Hong Kong)	HKD 25.545.183	(1)	2.830	55,00%	39,38%	Line by line	Inalca Food & Beverage S.r.l.	55,00%	39,38%	(a)
Inalca F&B Sdn Bhd	Klang Selangor (Malesia)	MYR 999.999	25	(728)	100,00%	71,60%	Line by line	Inalca Food & Beverage Malaysia Holding Sdn Bhd	100,00%	71,60%	(a)
Inalca Food & Beverage Cabo Verde Lda	Isla de Sal (Capo Verde)	CVE 100.026.500	(638)	(1.960)	80,00%	57,28%	Line by line	Inalca Food & Beverage S.r.l.	80,00%	57,28%	(a)
Inalca Food & Beverage Malaysia Holding Sdn Bhd	Klang Selangor (Malesia)	MYR 1.000.000	(2)	0	100,00%	71,60%	Line by line	Inalca Food & Beverage S.r.l.	100,00%	71,60%	(a)
Inalca Food & Beverage North America Llc	New York (Stati Uniti d'America)	USD 200.000	91	(372)	80,00%	57,28%	Line by line	IF&B Holding Inc	80,00%	57,28%	(a)
Inalca Food & Beverage Queensland Pty Ltd	Brisbane (Australia)	AUD 175.120	94	71	100,00%	71,60%	Line by line	Fresco Gourmet Pty Ltd	75,00%	53,70%	(a)
Inalca Food & Beverage S.r.l.	Modena	8.500.000	(8.212)	8.288	100,00%	71,60%	Line by line	INALCA S.p.A.	100,00%	71,60%	
Inalca Food & Beverage Shanghai Co Ltd	Shanghai (Cina)	CNY 8.168.014	(609)	(383)	100,00%	71,60%	Line by line	Inalca Food & Beverage China Holding Ltd	100,00%	71,60%	(a)
Inalca Food & Beverage (Thailand) Ltd.	Samutprakarn (Thailandia)	THB 117.650.000	(3.845)	(370)	100,00%	70,88%	Line by line	Inalca Food & Beverage S.r.l.	100,00%	42,96%	(a)
Inalca Food Service Kaz Llp	Almaty (Repubblica del Kazakhstan)	KZT 40.000.000	(62)	(750)	100,00%	32,22%	Line by line	Marr Russia L.l.c.	100,00%	32,22%	(a)
Inalca Kinshasa S.a.r.l.	Kinshasa (Rep.Dem.Congo)	USD 3.000.000	(3.939)	(2.461)	85,00%	60,86%	Line by line	INALCA S.p.A.	85,00%	60,86%	(a)
Industria Alimentar Carnes de Mocambique Ltd	Maputo (Mozambico)	MZN 390.000.000	2.763	14.821	99,00%	70,88%	Line by line	INALCA S.p.A.	60,00%	42,96%	(a)
Inter Inalca Angola Ltda.	Luanda (Angola)	Kwanza 4.596.799	129	1.150	100,00%	71,60%	Line by line	INALCA S.p.A.	100,00%	71,60%	(a)
Interjet S.r.l.	Castelvetro di Modena (MO)	2.500.000	(330)	3.361	100,00%	100,00%	Line by line	Cremonini S.p.A.	100,00%	100,00%	
Italia Alimentari S.p.A.	Busseto (PR)	40.248.000	8.093	77.282	100,00%	71,60%	Line by line	INALCA S.p.A.	100,00%	71,60%	
Italia Alimentari Canada Ltd.	Brampton (Canada)	CAD 1.750.000	551	(217)	60,00%	42,96%	Line by line	Italia Alimentari S.p.A.	60,00%	42,96%	(a)
ITAUS Pty Ltd	North Sidney (Australia)	AUD 225.105	21	0	100,00%	71,60%	Line by line	Inalca Food & Beverage S.r.l.	100,00%	71,60%	(a)

Follows

a) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies. /(b) Subsidiary consolidated starting from 2021

Continued: Annex 7

Company name (thousands Euro)	HQ	Share capital (expressed in Euro, unles otherwise indicated)	Result for the financial year ended 31.12.20	Shareholders' equity at al 31.12.2021	Control share at 31.12.2021	Shareholding at 31.12.2021	Consolidation method	Participants at 31.12.2021	Control share at 31.12.2020	Shareholding at 31.12.2020	Notes
Continues											
Kaskad L.l.c.	Mosca (Russia)	Rubli 3.028.105.232	(132)	40.830	60,00%	42,96%	Line by line	INALCA S.p.A.	60,00%	42,96%	(a)
Lounge Services S.a.s.	Parigi (Francia)	40.000	40	135	100,00%	100,00%	Line by line	Chef Express UK Ltd.	100,00%	100,00%	
M;acello di Parma S.r.l.	Parma	111.476	63	298	81,97%	29,93%	Line by line	Dolfen S.r.l.	-	-	(b)
Marr Foodservice Iberica S.A.U. in liq.	Madrid (Spagna)	600.000	(9)	401	100,00%	50,42%	Line by line	MARR S.p.A.	100,00%	50,42%	
Marr Russia L.l.c.	Mosca (Russia)	Rubli 100.000.000	9.187	70.322	75,00%	32,22%	Line by line	Kaskad L.l.c.	75,00%	32,22%	(a)
MARR S.p.A.	Rimini	33.262.560	31.930	336.246	50,42%	50,42%	Line by line	Cremonini S.p.A.	50,42%	50,42%	
Mille Sapori Due S.p.z.o.o (Gdansk)	Gdansk (Polonia)	PLN 100.000	(128)	183	100,00%	42,96%	Line by line	Mille Sapori Plus S.p.z.o.o.	100,00%	42,96%	(a)
Mille Sapori Plus S.p.z.o.o.	Varsavia (Polonia)	PLN 500.000	612	2.132	60,00%	42,96%	Line by line	Inalca Food & Beverage S.r.l.	60,00%	42,96%	(a)
Momentum Services Ltd.	Birmingham (Regno Unito)	267.908	545	3.593	100,00%	100,00%	Line by line	Chef Express UK Ltd.	100,00%	100,00%	
Montana Alimentari GMBH	Monaco (Germania)	25.000	29	406	100,00%	100,00%	Line by line	Italia Alimentari S.p.A.	100,00%	100,00%	
MSP Transport S.p.z.o.o.	Varsavia (Polonia)	PLN 100.000	7	46	100,00%	42,96%	Line by line	Mille Sapori Plus S.p.z.o.o.	100,00%	42,96%	(a)
New Catering S.r.l.	Santarcangelo di Romagna (RN)	33.900	710	10.302	100,00%	50,42%	Line by line	MARR S.p.A.	100,00%	50,42%	
Orenbeef L.l.c.	Orenburg (Russia)	Rubli 942.857.143	(2.432)	41.323	100,00%	42,96%	Line by line	Kaskad L.l.c.	100,00%	42,96%	(a)
Parma Capel S.a.s.	Saint Jal (Francia)	900.000	187	2.119	66,67%	24,35%	Line by line	Parma France S.a.s.	66,67%	24,35%	
Parma France S.a.s.	St Didier au Mont d'or (Francia)	1.000.000	2.972	12.379	51,00%	36,52%	Line by line	INALCA S.p.A.	51,00%	36,52%	
Parma Serv S.r.l.	Parma	10.000	93	346	51,00%	36,52%	Line by line	INALCA S.p.A.	51,00%	36,52%	
Railrest S.A.	Bruxelles (Belgio)	500.000	432	1.896	51,00%	51,00%	Line by line	Chef Express S.p.A.	51,00%	51,00%	
Realbeef S.r.l.	Flumeri (AV)	9.500.000	3	8.074	51,00%	36,52%	Line by line	INALCA S.p.A.	51,00%	36,52%	
Roadhouse S.p.A.	Castelvetro di Modena (MO)	20.000.000	(14.983)	48.746	100,00%	100,00%	Line by line	Chef Express S.p.A.	100,00%	100,00%	
Roadhouse Grill Roma S.r.l.	Castelvetro di Modena (MO)	1.200.000	(1.046)	608	55,00%	55,00%	Line by line	Roadhouse S.p.A.	55,00%	55,00%	
Royi Wine & Spirit (China) Ltd	Hong Kong	-	-	-	80,00%	31,50%	Line by line	Inalca Food & Beverage China Holding Ltd	-	-	(a)(b)
Royi Wine (Shanghai) Ltd	Shanghai (China)	CNY (6.105)	(68)	(114)	100,00%	31,50%	Line by line	Royi Wine & Spirit (China) Ltd	-	-	(a)(b)
Sara S.r.l.	Castelvetro di Modena (MO)	300.000	(555)	(254)	100,00%	71,60%	Line by line	INALCA S.p.A.	51,00%	36,52%	
Società Agricola Corticella S.r.l.	Spilamberto (MO)	15.000.000	(355)	26.749	100,00%	71,60%	Line by line	INALCA S.p.A.	100,00%	71,60%	
Tecali S.L.	Tenerife (Spagna)	363.000	259	3.711	62,81%	26,98%	Line by line	Comit S.L.	62,81%	26,98%	
Tecno-Star Due S.r.l.	Castelvetro di Modena (MO)	10.400	12	844	100,00%	71,60%	Line by line	INALCA S.p.A.	100,00%	71,60%	
Top Best International Holding Ltd	Kwai Fong - Hong Kong	HKD 6.507.000	(338)	(291)	100,00%	39,38%	Line by line	Inalca Food & Beverage China Holding Ltd	100,00%	39,38%	(a)
Treerre Food S.r.l.	Gerenzago (PV)	80.000	606	702	90,00%	58,00%	Line by line	Guardamiglio S.r.l.	90,00%	58,00%	
Zaklady Miesne Soch. S.p.zo.o.	Varsavia (Polonia)	Zloty 130.000.000	(428)	35.587	100,00%	71,60%	Line by line	INALCA S.p.A.	100,00%	71,60%	(a)
Zhongshan Inalca Food & Beverage Co Ltd	Changsha City - Cina	CNY 4.768.084	(280)	130	100,00%	39,38%	Line by line	Inalca Food & Beverage China Holding Ltd	100,00%	39,38%	(a)

a) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies. /(b) Subsidiary consolidated starting from 2021

Continued: Annex 7

(Euro/000) Company name	HQ	Share capital (expressed in Euro, unless otherwise indicated)	Result for the financial year ended 31.12.2021	Shareholders' equity at 31.12.2021	Control share at 31.12.2021	Shareholding at 31.12.2021	Book value (A)	Portion of the Shareholders' Equity (B)	Difference (B) - (A)	Participants at 31.12.2021	Control share at 31.12.2020	Shareholding at 31.12.2020	Notes
Investments valued at equity:													
Associated companies:													
Avirail S.a.s.	Paris (France)	100.000	50	613	49,00%	49,00%	314	300	(14)	Cremonini Restauration S.a.s.	49,00%	49,00%	(b)
Time Vending S.r.l.	St Germain Les Vergne - France	100.000	834	1.170	50,00%	50,00%	585	585	(0)	Chef Express S.p.A.	50,00%	50,00%	
Investments valued at cost:													
Subsidiaries													
Inalca Eurasia Holdings Gesmbh	Vienna (Austria)	35.000	(138)	31	60,00%	42,96%	-	19	19	INALCA S.p.A.	60,00%	42,96%	(b)
Inalca Foods Nig Limited (in liquidazione)	Nigeria	Naira 10.000.000	nd	nd	57,00%	40,81%	-	-	-	INALCA S.p.A.	57,00%	40,81%	(f)
Inalca Russia L.l.c.	Odintsovo (Russia)	RUR 150.000	nd	nd	100,00%	42,96%	2	-	-	Kaskad Llc.	100,00%	42,96%	
Italia Alimentari USA Corporation	(Ewing) US	USD 400.000	(114)	369	100,00%	71,60%	362	369	7	Italia Alimentari S.p.A.	100,00%	71,60%	(a)
Montana Farm S.p.zo.o.	Platyny (Polonia)	Zloty 175.515	(1)	51	100,00%	71,60%	109	51	(58)	Italia Alimentari S.p.A.	100,00%	71,60%	(a)
Società Agricola Transumanza S.r.l.	Mistretta (ME)	10.000	32	52	51,00%	18,62%	5	27	22	Parma Serv S.r.l.	51,00%	18,62%	(b)
Associated companies:													
A.G.M. S.r.l.	Castelnovo di Sotto (RE)	97.800	3	231	38,76%	27,75%	75	90	15	INALCA S.p.A.	50,00%	35,80%	(b)
Consorzio I.R.I.S. S.a.r.l.	Bolzano	10.000	8	16	37,50%	37,50%	4	6	2	Interjet S.r.l.	37,50%	37,50%	(e)
Creso S.r.l. in liquidazione	Sassuolo (MO)	10.000	159	169	50,00%	35,80%	-	85	85	Inalca Food & Beverage S.r.l.	50,00%	35,80%	(b)
Farm Service S.r.l.	Reggio Emilia	1.100.000	534	5.246	16,93%	12,12%	257	888	631	INALCA S.p.A.	16,93%	12,12%	(b)
Frigomacello S.r.l.	Fermo (AP)	90.000	(18)	72	50,00%	35,80%	91	36	(55)	INALCA S.p.A.	50,00%	35,80%	(b)
Frimo SAM	Principato di Monaco	150.000	41	1.280	45,50%	32,58%	529	582	53	INALCA S.p.A.	45,50%	32,58%	(b)
Inalca Emirates Trading Llc in liq.	Abu Dhabi (Emirati Arabi Uniti)	AED 300.000	(42)	(2.480)	49,00%	35,08%	0	(1.215)	(1.215)	INALCA S.p.A.	49,00%	35,08%	(a)(b)
Inalca West Africa Food & Beverage Ltd	Lagos - Nigeria	Naira 20.000.000	(39)	76	45,00%	32,22%	-	34	34	INALCA S.p.A.	45,00%	32,22%	(a)(b)
Jolanda De Colò S.p.A.	Palmanova (UD)	846	(199)	1.439	34,00%	17,14%	1.828	489	(1.339)	MARR S.p.A.	34,00%	17,14%	
Longsi Italia Co Ltd	Bangkok (Thailandia)	TBH 2.000.000	(60)	(66)	40,00%	28,64%	-	(26)	(26)	Inalca Food & Beverage (Thaila	40,00%	28,64%	(b)
Parma Charolais S.a.s.	Curbigny (Francia)												
SCEA PBL	Chabrignac (Francia)	104.000	(92)	208	30,00%	10,95%	90	62	(28)	Parma France S.a.s.	30,00%	10,95%	(c)
SC Pulsar	Chabrignac (Francia)	306.000	13	591	30,00%	10,95%	240	177	(63)	Parma France S.a.s.	30,00%	10,95%	(c)
La Torre Soc. Agr. Cons. a r.l.	Isola della Scala (VR)	2.120.000	71	7.128	25,00%	17,90%	5.010	1.782	(3.228)	Società Agricola Corticella S.r.	25,00%	17,90%	(b)
Società Agricola Marchesina S.r.l.	Castelvetro di Modena (MO)	6.000.000	(398)	4.168	50,00%	35,80%	2.780	2.084	(696)	Società Agricola Corticella S.r.	50,00%	35,80%	(b)
Unitea S.r.l.	Mantova (MN)				50,00%								
Zaino IF&B Co. Ltd		0	nd	nd	50,00%	35,80%	2.085			Inalca F. & B. S.r.l./Inalca F.&B	50,00%		(f)

NOTES

(a) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies/(b) The figures refer to 31 December 2020, the last financial statements available/(c) The figures refer to 31 December 2019, the last financial statements available/(d) The figures refer to 31 December 2018, the last financial statements available/(e) Non-operating company

Annex 8

List of consolidated companies broken down by sector

The Group, which operates in the food sector, carries out its activity in three macro areas of business:

- Production;
- Distribution;
- Catering.

The companies operating in each sector are reported below.

Production Sector

The following companies operates in various segments of this sector:

Company	Business

a) Production -Italy

INALCA S.P.A. Via Spilamberto n. 30/C - Castelvetro di Modena (MO)	Slaughtering, processing and trading of beef-based products.
CREMOVIT S.R.L. Via Spilamberto 30/C - Castelvetro di Modena (MO)	Calf breeding.
DOLFEN S.R.L. Via Solferino, 2 - Parma	Controlling interest in Macello di Parma S.r.l..
FIORANI & C. S.P.A. Via Coppalati no.52 - Piacenza	Processing and trading of beef-based products.
GES.CAR. S.R.L. Via Spilamberto no. 30/C - Castelvetro di Modena (MO)	Services connected to beef processing and treatment at the INALCA plant in Ospedaletto Lodigiano.
GUARDAMIGLIO S.R.L. Via Coppalati no. 52 - Piacenza	Operation of retail stores (butcher shops and delicatessens).
INA TEN S.R.L. Via Spilamberto 30/C - Castelvetro di Modena (MO)	Lease of the Group-owned property for processing of by-products.
MACELLO DI PARMA S.R.L. Via del Taglio, 6 - Parma	The company operates the municipal slaughterhouse in Parma under a concession agreement.
PARMA SERV S.R.L. Viale Solferino 11- Parma	Selling cattle in Italy and providing services to Parma France and its subsidiaries.
REALBEEF S.R.L. Contrada Tierzi - Flumeri (AV)	Slaughtering, processing and trading of beef-based products.
SARA S.R.L. Via Spilamberto n. 30/C - Castelvetro di Modena (MO)	Recovery and processing of waste from agricultural and livestock activities.
SOC. AGR. CORTICELLA S.R.L. Via Corticella no. 15 - Spilamberto (MO)	Breeding of cattle, both directly and under agistment contracts.
TECNO-STAR DUE S.R.L. Via dei Marmorari , 88 - Spilamberto (MO)	Design of buildings and plants, management of maintenance and refurbishment activities.
TREERRE FOOD S.R.L. Via Madre Tersa di Calcutta 18/A - Gerenzago (PV)	Operation of retail stores of fresh products (butcher shops and delicatessens).

b) Production - abroad

AGROSAKMARA LLC. Dorozhnaya str.50, Chernyi Otrog - Orenburg – Russia	Breeding of cattle in Russia.
AGROSAKMARA BASHKIRIYA LLC. Via Admiral Makarov,26 (b. 2, office 16) - Ufa - Republic of Bashkortostan	Feedlot development in the Russian region.
INALCA ALGERIE S.A.R.L. 08, Rue Cherif Hamani - Algiers - Algeria	Currently it is not operating and is in the process of being transformed into manufacturing operations.
INALCA ANGOLA Ltda. Rua Deolinda Rodrigues n. 563 - Luanda - Angola	Trading and processing of food products.
INALCA BRAZZAVILLE S.a r.l.u. Immeuble Lincoln, 15 Boulevard Charles de Gaulle - Pointe Noire – Republic of Congo	Trading of food products.
INALCA CI S.a.r.l. 04 BP Abidjan 04-Plateau Bvrd Carde- Ivory Coast	Company active in trading food products in general in the Ivory Coast.
INALCA FOOD SERVICE KAZ LLP Bekmakhanova street, 96/2 - Almaty - Republic of Kazakhstan	Start-up company that conducts HoReCa businesses in Almaty.
INALCA KINSHASA S.p.r.l. Kinshasa 11eme - Rue Limete Industriel n. 112, Limete (Kinshasa) – Democratic Republic of Congo	Trading and processing of food products.
INDUSTRIA ALIMENTAR CARNES DE MOCAMBIQUE Lda. – Avenida de Mocambique Km 9.5 Barrio Zimpeto Distretto 5- Maputo – Mozambique	Trading of food products.
INTER INALCA ANGOLA Ltda. Rua Major Kayangulo n. 504 - Luanda - Angola	Trading and processing of food products.
KASKAD OOO L.l.c. Via Vostochnaya 5, Odintsovo (Moscow) – Russia	Real estate services.
MARR RUSSIA LLC. Via Vostochnaya 5, Odintsovo (Moscow) – Russia	Trading of food products.
ORENBEEF LLC Via Pionerskaya 2 - Orenburg - Russia	Slaughtering, processing and trading of beef-based products in Orenburg.
PARMA CAPEL S.A.S. Le Pradel 19700 - Saint Jal - France	Sells live cattle in France specialising in the Limousines breed.
PARMA FRANCE S.A.S. 13 rue Claude Chappe, Le Parc de Crécy 69370 St - Didier au Mont d'or – France	Sub-holding company in the Parma France Group, which sells livestock in France.
ZAKLADY MIESNE SOCHOCIN S.P.Z.O.O Al. Jana Pawła II n. 80, Warsaw – Poland	Dormant company. The construction of the new beef slaughtering plant is underway in Poland at the Sochocin property.

c) Cured meats and snacks

ITALIA ALIMENTARI S.P.A. Via Europa n. 14 - Busseto (PR)	Production and trading of food products (cured meats and delicatessen).
CASTELFRIGO LV S.R.L. Via Aldo Moro 4a - Castelnuovo Rangone (MO)	Processing and distribution of fresh and frozen pork, specialising in the preparation of bacon and jowls.
ITALIA ALIMENTARI CANADA LTD 116, Nugget Court - L6T5A9 Brampton - Ontario - Canada	Production (slicing) and distribution in Canada concerning cured meats produced.
MONTANA ALIMENTARI GMBH. Kirschstrasse 20 - Munich – Germany	Trading and distribution of food products (cured meats and delicatessen) in Germany.

c) Food & Beverage

INALCA FOOD & BEVERAGE S.r.l. Via della Pace 6/C – Castelnuovo Rangone (MO)	Trading and distribution of food products and beverages.
BRIGHT VIEW TRADING HONG KONG LTD. Unit B, 13/F Wah Shing Centre, 5 Fung Yip Street - Chai Wan, Hong Kong	Distribution of food products to foodservice in Hong Kong.
COMIT – COMERCIAL ITALIANA DE ALIMENTACION S.L. Calle Peres Galdòs s/n, San Isidro - Granadilla de Albona - Tenerife	Distribution of food products to foodservice in the Canary Islands.
FRATELLIDITALIA SA Calle 11 sur, mza 248 late 1 zona 1 Col Ejido sur, local 9 Palmeiras Business Center - Playa del Carmen - Mexico	Distribution of Italian food products in Mexico.
FRESCO GOURMET PTY LTD 90, Arthur Street - North Sidney - Australia	Distribution of food products to foodservice in Australia.
HOSTERIA BUTARELLI S.L. Calle Herraje s/n, nave 29, Poligono Industrial de Arinaga Agiunes - Grand Canary	Production of fresh pasta in the Canary Islands.
INALCA FOOD & BEVERAGE BEIJING CO. Beijing Logistics Center,2 Beihoujie, Louzizhuang, Chaoyang District - Beijing – China	Distribution of Italian food products in Bejing.
INALCA FOOD & BEVERAGE BEIJING HOLDING LTD. Unit A 5/F Max Share CTF King's RD North Point - Hong Kong	Subsidiary of IFB China Holding, sub-holding company for operations in China.
INALCA FOOD & BEVERAGE CHINA HOLDING LTD Unit 701, block 2 Golden Industri Bldg 16/26 - Kwai Tak Street, Kwai Fong - Hong Kong	Coordination and sub-holding company for operations in China.
INALCA FOOD & BEVERAGE LDA (Cabo Verde) Rua Amilca Cabra, 1°Andar do Predio Argos - Santa Maria - Ilha do Sal - Cape Verde	Distribution of Italian food products in Cape Verde.
INALCA FOOD & BEVERAGE Co. LTD (Thailand) Amphur no.333/2 Moo 9 Tambol Bangpla – The Bangplee, Samutprakarn- Thailand	Distribution of Italian food products in Thailand.
INALCA FOOD & BEVERAGE MALAYSIA HOLDING SDN BHD47B Jalan Batai Laut 5 Kawasan 16 Taman Intan 41300 - Klang Selangor – Malaysia	Coordination and sub-holding company for operations in Malaysia.
INALCA FOOD & BEVERAGE NORTH AMERICA LLC 5 West, 19° Street, 10th Floor, 10011 New York	Distribution of Italian food products in the USA.
INALCA FOOD & BEVERAGE QUEENSLAND PTY LTD. Building 5,237 Flemming Road–Queensland- Australia	Distribution of Italian food products in the Queensland region (Australia), based in Brisbane.
INALCA F&B SDN BHD 151 B, Jalan Batu Tiga Lama Taman Rashna - Klang Selangor Darul Ehasan – Malaysia	Distribution of Halal food products to foodservice in Malaysia.
INALCA FOOD & BEVERAGE (SHANGHAI) CO LTD Room 2807, No 1277 Dingxi Road, Changning District	Distribution of Italian food products in Shanghai.
IF&B HOLDING INC 1679 South Dupont Highway, Suite 100, Dover – USA	Sub-holding company controlling all the operations developed by INALCA Food & Beverage in the United States of America.
ITAUS PTY LTD 90, Arthur Street - North Sidney – Australia	Distribution of food products to the retail channel in Australia.
MILLE SAPORI PLUS S.P.Z.O.O. ul. Kazimierza Gierdziejewskiego 7- Warsaw – Poland	Leading company in the distribution of Italian food products in the Polish foodservice market.
MILLE SAPORI DUE SP.Z.O.O. ul. Budowlanych 27 - Gdańsk - Poland	Distribution of Italian food products in the Polish foodservice market, in the Gdansk region. Work is in progress on the merger by incorporation into the parent

	company Mille Sapori Plus Sp.zo.o..
MSP TRANSPORT SP.ZO.O. ul. Kazimierza Gierdziejewskiego 7- Warsaw - Poland	Transport company owned by Mille Sapori Plus SP.ZO.O.
ROYI WINE (SHANGHAI) LTD 4 floor, 158 Xuxiang Road, Qinqpu district - Shanghai, China	Marketing of wine and spirits in China.
ROYI WINE & SPIRIT (CHINA) LTD Room 913, 9/F., Hollywood Plaza, 610 Nathan Road - Mong Kok, Kowloon, Hong Kong	Carries out coordination and sub-holding of operations relating to the sale of wine and spirits in China.
TECALI S.L. Camino Real de la Oratava 215,El Ortigal - La Laguna – Tenerife	Production of mozzarella and fresh cheeses in the Canary Islands.
TOP BEST INTERNATIONAL HOLDING LTD Unit 701 2920, Block 1, Golden Industrial Bldg 16-26, Kwai Tak Street - Hong Kong Kwai Fong	Subsidiary company of IFB China Holding, which conducts mozzarella production in Hong Kong.
ZHONGSHAN INALCA FOOD & BEV. CO LTD No. 431 Shaoshan North Road, Dongtang Ruifu, A Area-Hunan Province,508# Changsha City, Yuhua District	Distribution of food products to foodservice in the Chinese Zhongshan area.

Distribution Sector

The following companies operate in this sector:

Company | **Business**

***Foodservice* (distribution to catering)**

MARR S.p.A. Via Spagna no. 20 – Rimini	Trading and distribution of fresh, dried and frozen food products for foodservice operators.
ANTONIO VERRINI S.R.L. Via Pasquale Tosi no. 1300 - Santarcangelo di Romagna (RN)	Trading and distribution of fresh, frozen and deep-frozen seafood products mainly in Liguria and Versilia areas.
AS.CA. S.P.A. Via Pasquale Tosi no. 1300 - Santarcangelo di Romagna (RN)	As from 1 February 2020 the company operates a business lease with Parent Company MARR S.p.A..
CHEF S.R.L. UNIPERSONALE Via Pasquale Tosi no. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, frozen and deep-frozen seafood products mainly in the Romagna Riviera.
MARR FOODSERVICE IBERICA S.A.U. Calle Lagasca no. 106 1° centro - Madrid – Spain	Non-operating company (subject to pre-liquidation).
NEW CATERING S.r.l. Via dell'Acero no.1/A, Santarcangelo di Romagna (RN)	Trading and distribution of food products to bars and fast-food outlets.

Catering Sector

The business conducted in this sector is divided into three areas, through the following companies and/or corporate divisions:

Company | **Business**

a) On-board catering

CHEF EXPRESS S.p.A. – Railway Division Registered and administrative office, Via Modena no. 53 Castelvetro di Modena (MO)	Concession for operating on-board catering.
CHEF EXPRESS UK LTD. 1-3 Union Street, Kingston Upon Thames, Surrey, London – United Kingdom	Holding company mainly operating in the on-board sector and under concession agreements.
CREMONINI RESTAURATION S.a.s. 83, Rue du Charolais, Paris – France	Concession for operating on-board catering and related logistics operations in Turkey.
LOUNGE SERVICES S.a.s 91, Rue du Faubourg Saint-Honoré – Paris – France	Concession for operating welcome services in the Eurostar passenger lounges in Paris.
MOMENTUM SERVICES LTD. 90a Tooley Street, London, SE1 2TH - United Kingdom	Concession for operating on-board catering on the trains connecting London to Paris and Brussels through the Eurotunnel.
RAILREST S.A. Rue de France 95 (Frankrijkstraat) 1070, Brussels - Belgium	Concession for operating on-board catering on Thalys high-speed trains connecting Belgium to France, Holland and Germany.

b) Concession Catering

CHEF EXPRESS S.p.A. – Concession Division Registered and administrative office, Via Modena 53 Castelvetro di Modena (MO)	Operator in the commercial concession catering area. Specifically, catering is managed in the premises of major Italian railway stations, airports and hospitals and service stations of the motorway network.
BAGEL NASH (RETAIL) LTD. 90a Tooley Street, London, SE1 2TH – United Kingdom	It runs eleven bagel-theme outlets in northern England.
GABF HOLDING LTD. 90a Tooley Street London – United Kingdom	Sales of bagels in London and Ireland.

c) Commercial Catering

ROADHOUSE S.P.A. Via Modena no. 53, Castelvetro di Modena (MO)	Management of a chain of restaurants which operates with “Roadhouse Restaurant”, “Calavera”, “Billy Tacos” and “Smokery” brands.
C&P S.R.L. Via Modena no. 53, Castelvetro di Modena (MO)	Holding company operating in catering under “Caio”, “Casa Maioli” and “Wagamama” brands.
ROADHOUSE GRILL ROMA S.R.L. Via Modena n. 53, Castelvetro di Modena (MO)	Operating a chain of steakhouse restaurants in Rome and Lazio Region.

Centralized activities (holding company, property and services)

The activities carried out in this area are mainly connected to the provision of specialised services supporting the operating sectors and management of real estate assets, and include the following companies:

Company	**Business**
CREMONINI S.p.A. Via Modena 53, Castelvetro di Modena (MO)	Provides support services to Group companies in the areas of finance, insurance, legal and management/administration. It also manages the Group’s real estate assets.
GLOBAL SERVICE S.r.l. Via Modena 53 - Castelvetro di Modena (MO)	Personnel services: processing and administrative management of payrolls.
INTERJET S.r.l. Via Belvedere 23 - Castelvetro di Modena (MO)	Air transport services (P.P.T).

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the Shareholders of Cremonini SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cremonini SpA (hereinafter also the "Company") and of its subsidiaries (hereinafter the "Cremonini Group" or the "Group"), which comprise the statement of financial position as of 31 December 2021, the income statement, statement of comprehensive income, statement of changes in consolidated shareholders' equity, cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Cremonini Group as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors of Cremonini SpA are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers SpA

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The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the parent company Cremonini SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors of Cremonini SpA is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

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

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010

The directors of Cremonini SpA are responsible for preparing a report on operations of the Group as of 31 December 2021 (drawn up jointly with the separate and consolidated financial statements), including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of the Cremonini Group as of 31 December 2021 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the consolidated financial statements of the Cremonini Group as of 31 December 2021 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Bologna, 27 April 2022

PricewaterhouseCoopers SpA

Signed by

Gianni Bendandi
(Partner)

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