

14 September 2020

H1 2020 RESULTS



Agenda

• GROUP OVERVIEW	Pag. 3
• KEY FINANCIALS H1 2020	Pag. 8
• OUTLOOK	Pag. 15
• APPENDIX	Pag. 18

DISCLAIMER

This document (the Document) was prepared by ORSERO S.p.A. (Company) only for the purposes of presenting the Company.

The information contained herein may not be complete and exhaustive and no guarantee can be given as to its accuracy.

This Document was drafted on the basis of data and information of the Company and/or in the public domain, and on parameters and assumptions determined in good faith by the Company. However, these parameters and assumptions are not the only ones that could have been selected for the purpose of preparing this Document, therefore the application of additional parameters and assumptions, or the existence of different market conditions, could lead, in good faith, to analyses and assessments that may differ, in whole or in part, from those contained herein.

The information and/or the assessments contained herein have not been subjected to verification by independent experts, and are subject to changes and/or updates. The Company undertakes no obligation to give prior or subsequent communication in the event that any such changes and additions may become necessary or appropriate.

No information contained in this Document can or shall be considered a guarantee or an indication of future operating, financial and equity results of the Company.

To the extent permitted by applicable law, the Company and its corporate officers, managers, employees, and consultants do not make any declaration or guarantee and do not assume any obligation, either express or implied, or responsibility as to the accuracy, sufficiency, completeness and update of any information contained in the Document nor in respect of any errors, omissions, inaccuracies or negligence herein.

This Document is provided merely for information and indicative purposes and does not constitute in any way a proposal to enter into any contract nor a public offering of financial products, nor advice or a recommendation to buy or sell any financial products.

You are the exclusive addressee of this Document which as such cannot be delivered nor disclosed to any third parties nor reproduced, in whole or in part, without the prior authorization of the Company.

Figures and numbers included in this document are rounded.

The Manager in charge of preparing the corporate accounting documents of Orsero S.p.A., Mr. Giacomo Ricca certifies, pursuant to art. 154-bis, paragraph 2, of Legislative Decree 58/98 that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.

GROUP OVERVIEW



Our Group, at a glance



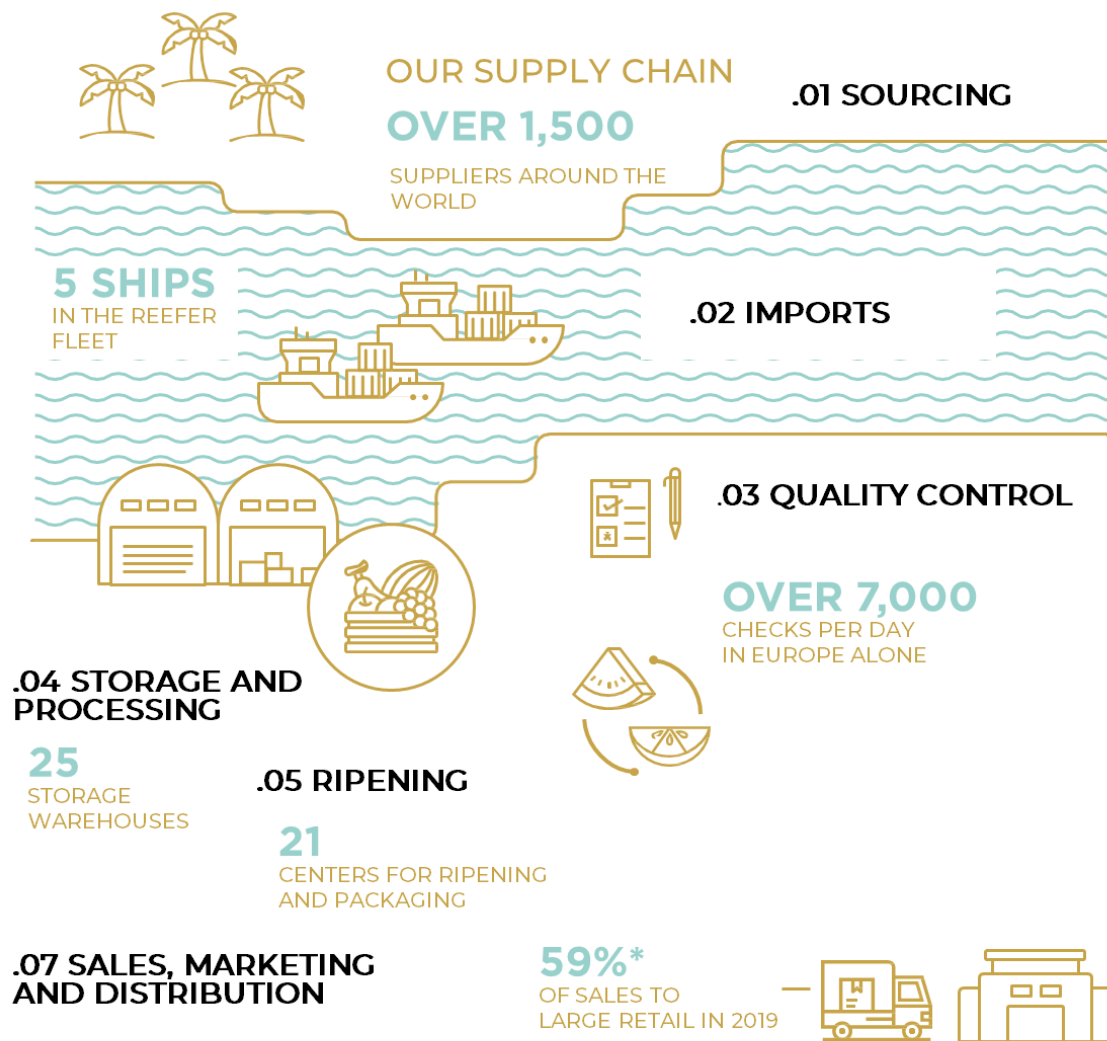
2 BUSINESS AREAS



WE BRING THE WORLD CLOSER, EVERY DAY.

Around the world, our Group is seen as a symbol of **Italian excellence, tenacity and success**. We're known for delicious fruit and vegetable products, as well as our **authenticity and integrity**.

Business model



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

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

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

Main Milestones from 1940 to Date



FIRST STEPS

1940s

We begin distributing fruit and vegetables across Italy.



INTERNATIONAL EXPANSION

1960s

We expand the scope of our business.

1970s

We begin distributing and importing exotic and out-of-season fruit, supplying the entire Mediterranean.



CONSOLIDATION

1980s

We invest in international expansion, buying banana plantations in Costa Rica and companies specializing in the ripening and distribution of bananas in France.

Reefer Terminal is set up at the Savona-Vado port to move and store fresh produce.

1990s

We consolidate our position on the international stage by investing in Italy, Portugal and Greece. We build the first fleet of refrigerated ships, the Cala Bianche, for the importing of fresh produce.

2000s

We begin the construction of our second fleet of ships, the Cala Rosse, which have increased capacity and are still in operation today. We continue to expand in Italy and Spain.



THE LAST DECADE

2012

We launch the F.lli Orsero brand, synonymous with Extra Premium quality fruit, on the European market. We undertake an organizational review and strengthen our management team.

2017

We change our name to Orsero S.p.A. following the merger with Glenatta Food and we become a listed company on the AIM Italia market, which is managed by Borsa Italiana.

We expand our distribution operation by taking control of Fruttital Firenze and Galandì in Italy, and Hermanos Fernández López in Spain.

2018

Our Spanish subsidiary enters the share capital of Bonaoro and Sevimpor, allowing us to expand into the Canary Islands, specializing in bananas.

2019

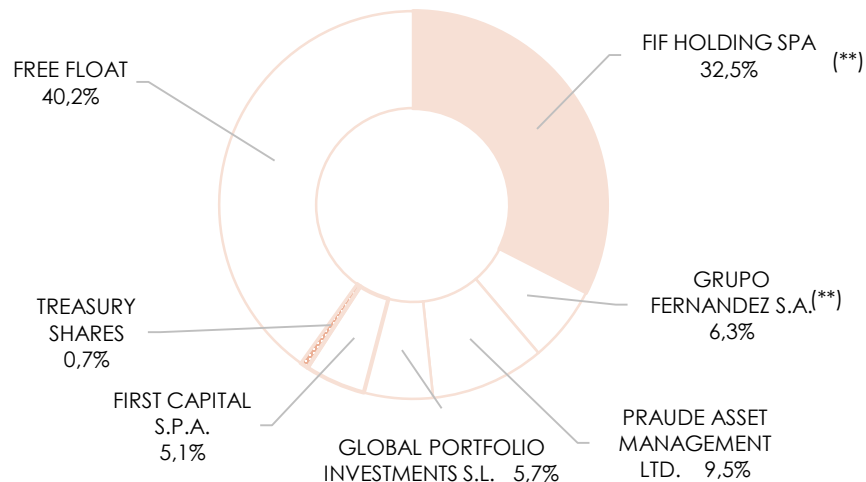
We continue to expand our Fresh Cut range by opening three centers in Molfetta, Verona and Cagliari. We acquire the Fruttica Group and consolidate Fruttital Cagliari. As of December 23 shares in our Group are listed on the STAR segment of the Borsa Italiana's Telematic Stock Market (MTA).

2020

We consolidate Moncada Frutta remaining 50%. Together with FEBA - European Food Banks Federation - and Banco Alimentare Italia we protect the value of food and reduce waste.

Governance & Shareholders' structure

SHAREHOLDERS(*) (% on share capital)



ANALYST COVERAGE

BANCA AKROS	Andrea Bonfà
BANCA IMI	Gabriele Berti
CFO SIM	Luca Arena
EQUITA SIM	Emanuele Gallazzi

ADVISORS

SPECIALIST	INTESA SANPAOLO
AUDITING COMPANY	KPMG

(*) Last update 10 September 2020. Total shares 17.682.500. Treasury shares 122,514.

(**) FIF Holding SPA and Grupo Fernández S.A. are bounded by a shareholder agreement.

GOVERNANCE



PAOLO PRUDENZIATI
Chairman



RAFFAELLA ORSERO
Deputy Chair and Chief executive Officer



MATTEO COLOMBINI
Managing Director and Chief Financial Officer

- The **Board of Directors** (term 2020-2022) consists of 9 people, 7 elected from the majority list and 2 from the minority one.
- In accordance with the Italian Corporate Governance Code, the independent directors' quota (5 out 9 members) and the *gender balance* (3 out 9 members) are fully respected.
- Within the BoD are constituted the following committees, composed of independent or non executive directors:
 - **Remuneration and Nominations committee**
 - **Control and Risks committee**
 - **Related parties committee**

KEY FINANCIALS

H1 2020*

(*) Semester ending 30 June 2020.



CORPORATE

- **Priority to the health and safety of employees**

- Mobilized crisis management team
- Executed new safety protocols (social distancing, thermal screening, sanitizations) across logistic platforms, market stands and offices
- Implemented remote working to all eligible workers up to the end of tight lockdown measures (end of May)

- **Business Continuity**

- Procurement, maritime shipping and distribution chains are fully operational
- Adaptive approach, in particular in the very first and chaotic phases
- Maintaining strong customer service despite lockdown limitations and constraints

- **Economic and Financial Actions**

- Prioritizing organic investments, postponing to 2021 uncommitted and discretionary capex
- Adjusting capital allocation plans and working capital management to protect liquidity and financial flexibility
- Opex containment is led by reduced travel expenses (gross costs related safety protocols are abt. 0,6 M€ in H1 2020)

BUSINESS

- **Product mix**

- Good sales, particularly in the Group's key markets (IT,SP,FR), thanks to positive price/mix effect
- Volumes are all in all flat, mixing positive effect in basic commodities (e.g. citrus, apple and pears) with difficult times for some high-end product(e.g. Pineapples , Avocados and Fresh-cut fruit) which are more linked to the out-of-home/food service consumptions. Significant headwind on bananas and pineapples at the import stage.

- **Sales Channels and Geographical scope**

- Orsero's operations are adapting to volatility in market demand:
 - in the first part of the emergency, sales promptly shifted from wholesale channel to supermarkets (as a consequence of almost reduced to zero out-of-home/food service consumptions)
 - then, after the relaxing of lockdown, sales mix rebalanced.
- Food business was granted with lockdown dispensation in all the geographies where the Group operates

EFFECTIVE FROM 1/1/2020

- **Ex Distribution:** also the companies active in the **import of bananas and pineapples** (Simba) join the BU, the sector is then renamed **"Import & Distribution"**
- **Ex Import & Shipping:** as a consequence of the above described reallocation, the BU is renamed **"Shipping"**, being now concentrated exclusively on ship owning, serving the Group and third parties (approx. 50% -50%)
- **Services: unchanged**, except for the divestiture from a small company in the container maintenance business (VCS).

REMINDER

This reorganization reflects the increasing **interconnection** between the **banana and pineapple import business and the distribution business**: 85% of the revenues relating to this business are developed through the Group's distribution network.

The new business segmentation will bring a simplification in the understanding of the BU data, reducing the amount of intra-segment revenues originated in the past from Simba and, thus, the elimination among Group's different BU's.

Executive summary

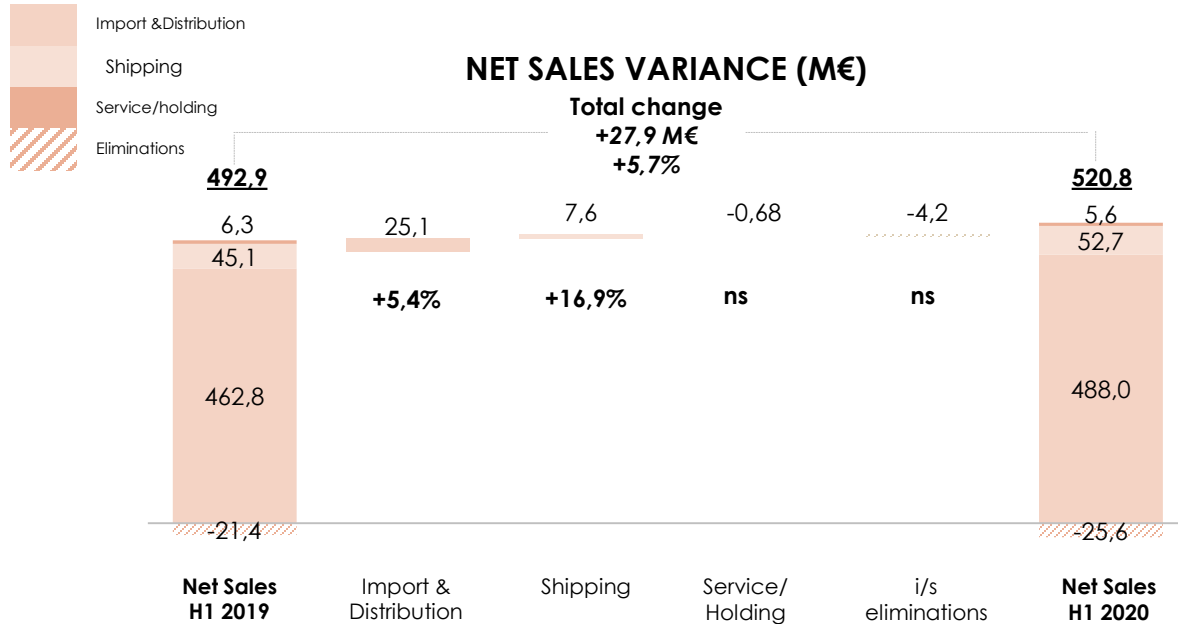
M€	H1 2020	H1 2019	Total Change	
			Amount	%
Net Sales	520,8	492,9	27,9	5,7%
Adjusted EBITDA	23,5	19,3	4,2	22,0%
Adjusted EBITDA Margin	4,5%	3,9%	+61 Bps.	
Adjusted EBIT	10,9	7,7	3,2	42,3%
Adjusted Net Profit	7,5	4,0	3,5	86,6%
Non-recurring items (net of tax)	(1,3)	(2,9)ns	ns	
Net Profit	6,2	1,1	5,1	459,4%
Adjusted EBITDA excl. IFRS 16(*)	19,4	14,8	4,6	31,3%

M€	H1 2020	FY 2019
Net Invested Capital	273,8	277,8
Total Equity	154,7	150,9
Net Financial Position	119,1	126,9
NFP/Adj.EBITDA Ratio	2,8	3,3
Net Financial Position excl. IFRS 16(*)	88,2	66,9
NFP/Adj.EBITDA Ratio excl. IFRS16	2,6	2,3

- **Consolidated Net sales H1 2020 grow to approx. 521 M€, +27,9 M€ or +5,7% vs H1 2019 (+4,1% at constant perimeter)**
- **Adjusted EBITDA is up by 22% or +4,2 M€, from 19,3 M€ to 23,5 M€ (excl. IFRS 16 is 19,4 M€, up by 4,6 M€/ +31,3%)**
- **Adjusted EBITDA margin stands at 4,5%, (+61 bps. vs previous year)**
- **Adjusted EBIT grows to abt. 10,9 M€, due to better operating performances**
- **Adjusted Net profit stands at 7,5 M€ vs 4 M€ of LY**
- **Total Equity is equal to ~155 M€**
- **Net Financial Position Excl. IFRS 16(*) stands at 88,2 M€ (Net Debt) or 119,1 M€ including IFRS 16 liabilities**
- **All covenants on Structured Debts are fully respected.**

(*) Data excluding the effect of IFRS 16 adoption, consisting chiefly in the recognition of incremental Adjusted Ebitda of 4,5 M€ in H1 2019 and 4,1 M€ in H1 2020 and incremental NFP of 30,8 M€ in H1 2020 and 60 M€ in FY 2019

Net Sales and Adj. Ebitda H1 2020

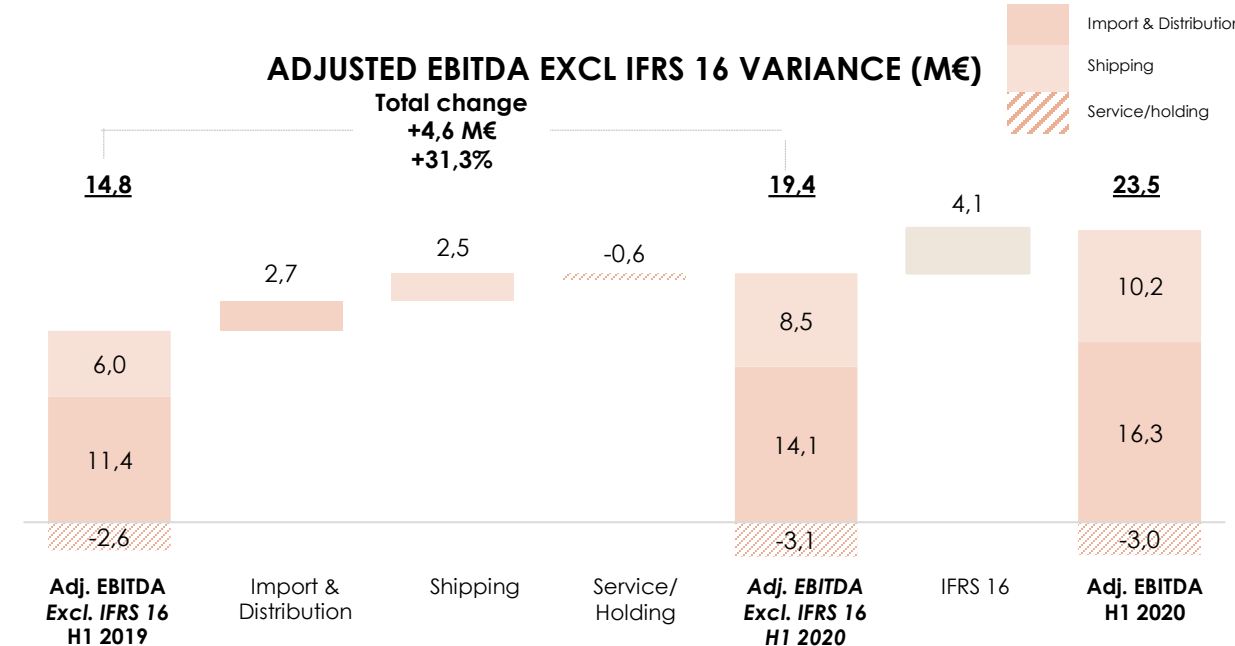


Net sales H1 2020 are 520,8 M€, up by abt. 27,9 M€ or + 5,7% including M&A(*)/+4,1% like for like

- **Import & Distribution** is up abt. 5,4%, including M&A(*) /+3,7% like-for like
 - ▶ Good sales momentum in all key markets
 - ▶ Declining sales in Mexican avocado and Banana/Pineapples Import
- **Shipping** improves by 16,9%,
 - ▶ The implementation of IMO 2020 regulations and the consequent deployment of a more refined and costly bunker fuel (0.5% sulphur content) drove the increase of freight rate until April
- **Service/Holding** sales decline slightly
- Inter-segment eliminations are 4,2 M€ lower than last year

(*) Pro-rata revenues of companies acquired in 2019, net of I/co eliminations.

(**) Data excluding the effect of IFRS 16 adoption, consisting chiefly in the recognition of incremental Adjusted Ebitda of 4,5 M€ in H1 2019 and 4,1 M€ in H1 2020 and incremental NFP of 30,8 M€ in H1 2020 and 60 M€ in FY 2019



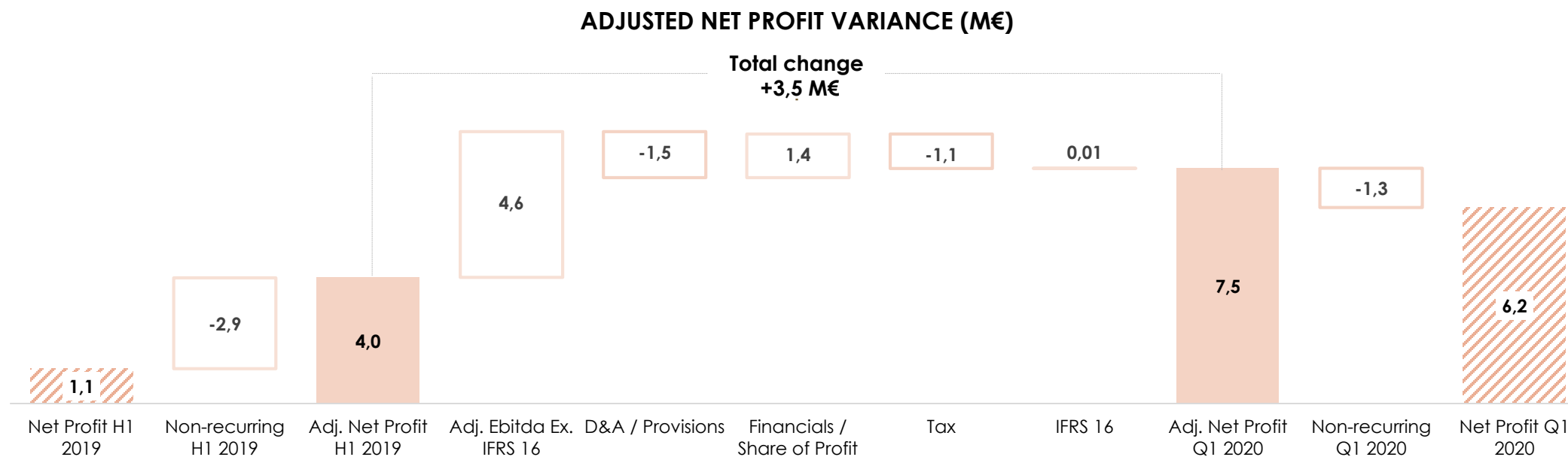
Adjusted EBITDA H1 2020 stands at 23,5 M€, 4,5% on sales

- IFRS 16 net effect on Adj. Ebitda is 4,1 M€

Adjusted EBITDA H1 2020 Excl. IFRS 16 () is 19,4 M€, up by 4,6 M€, with 3,7% on sales vs 3% LY:**

- **Import & Distribution** improves by 2,7 M€:
 - ▶ Very good performance of distribution operations in Italy and partial recovery in France but, contrariwise, banana/pineapples at import stage and Mexican avocados achieved lower margin
- **Shipping** grows by 2,5 M€ :
 - ▶ better freight rate and good load factor (~95%)
 - ▶ Efficiency due to the sailing schedule implemented in 2019 (5 vessels instead of 4, 35 days for the round trip instead of 28 days)
- **Service/Holding** is down 0,6 M€ due to lower intercompany rebilling

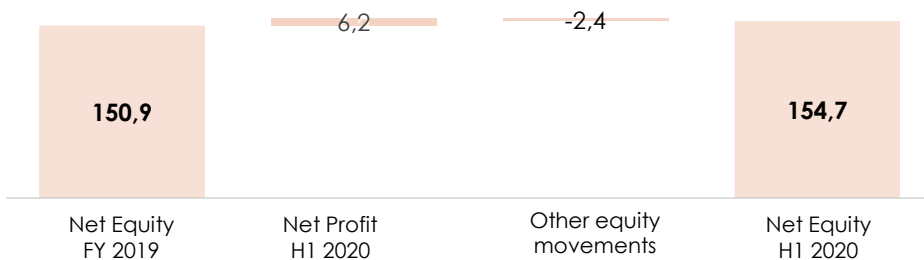
Consolidated NET PROFIT



- **Adjusted Net Profit H1 2020**, excluding the non recurring impact and their tax effect, **stands at abt. 7,5 M€**,
 - +3,5 M€ more than last year, primary due to higher operating margin balanced by higher D&A and lower financials costs (mainly related to positive effect on exchange rate differences of 1,1 M€)
- Non-recurring adjustments H1 2020 equal to a loss of -1,3 M€, net of estimated tax (mainly due to COVID-19, personnel costs / litigation and other mix)
- **Net Profit H1 2020 is ~6,2 M€ versus 1,1 M€ in H1 2019**

Consolidated NET EQUITY and NFP

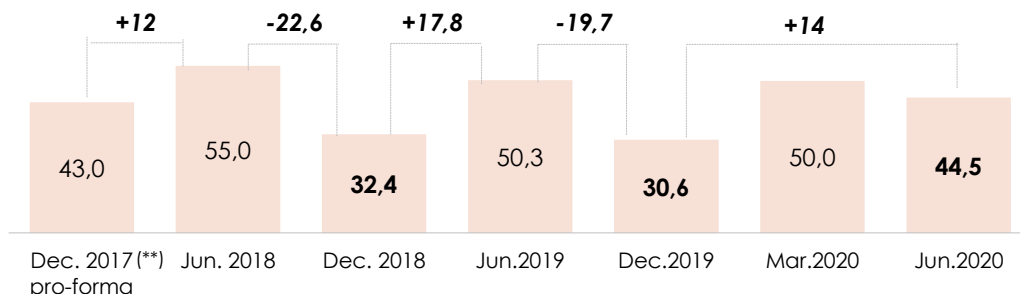
NET EQUITY VARIANCE (M€)



NFP EXCL. IFRS 16 VARIANCE - ILLUSTRATIVE (M€)



COMMERCIAL NWC - SEASONAL EVOLUTION (M€)



- **Total Shareholders' Equity is 154,7 M€:**
 - Net profit of the period contributes of circa 6,2 M€
 - Other equity effects accounts for a negative impact of - 2,4 M€ (slightly improved compared to Q1 2020)
 - ▶ Main items: -0,2 M€ of share buy back, -0,3 M€ MTM change of hedging instruments and -1,5 M€ of forex on net equity of non-Euro subsidiaries
 - ▶ In May 2020 was paid a dividend through the assignment of total of 246.298 treasury shares (ratio 1/69), with no effect on cash and Net Equity
- At the end of June 2020, the Group **NFP excluding the impact of IFRS 16, is equal to abt. 88,2 M€, or 119,1 M€ with IFRS 16:**
 - **Positive cash flow generation, abt. 17,7 M€**
 - **Commercial net working capital absorbed 14 M€,**
 - ▶ Seasonal NWC swing is following usual path, showing cash absorption during H1 with a consequent expected release at the end of H2,
 - ▶ end-of-June NWC already improved by 5,5 M€ compared to the end of March 2020 (see NWC evolution)
 - **Operating Capex are 7 M€,** for investments in core activities
 - ▶ 2,5 M€ due to the refurbishment/enlargement of Verona warehouse
 - ▶ excluding the incremental IFRS 16 right-of-use equal to 1,9 M€ in H1 2020
 - **17,8 M€ (included taxes) for the purchase of 4 instrumental properties in Italy** (previously leased and used as warehouse/logistic platform).
- **Liabilities related to IFRS 16 are equal to abt. 30,8 M€**
 - ▶ at the end of 2019 it was 60 M€, the reduction is chiefly attributable to the instrumental properties deal: the estimated «right-of-use» and «debt» related to the leases of the acquired properties was abt. 27,5 M€ against an actual outlay of 17,8 M€. See detail in annex.

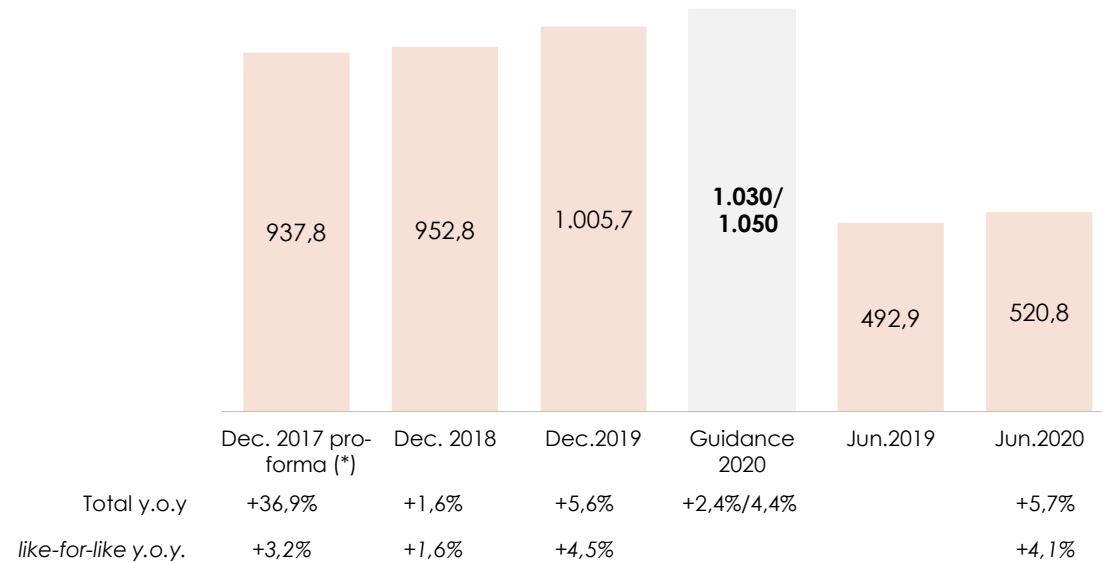
(**) 2017 Pro forma data take into account all the effects of the acquisition carried on during the year 2017. Limited to this purpose, the acquired companies have been assumed fully controlled from Jan. 1, 2017.

HISTORICAL TREND AND OUTLOOK

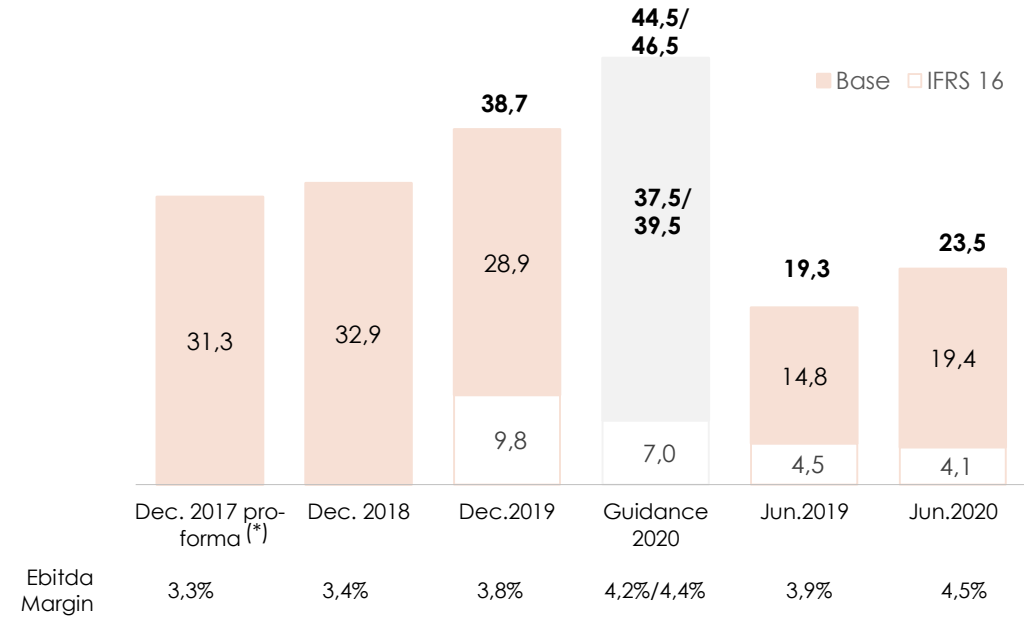


Total Net Sales and Adj. Ebitda trend

NET SALES TREND (M€)



ADJ. EBITDA TREND (M€)



- **Steady Sales growth over the last 3 years**
 - Total growth +13,7% Cagr 2016-2019
 - Like-for like growth +3,1% on average (2017 proforma - 2019)
- **Very good start in 2020**
 - Total growth +5,7%
 - Like-for like growth +4,1%

- **Robust Adj. Ebitda margin**
 - 3,5% on average (2017 proforma - 2019)
 - 9,8 M€ of positive IFRS effect in 2019
- **Remarkable Adj. Ebitda increase in H1 2020**

(*) 2017 Pro forma data take into account all the effects of the acquisition carried on during the year 2017. Limited to this purpose, the acquired companies have been assumed fully controlled from Jan. 1, 2017.

Actual H1 2020 and Guidance 2020 - Confirmed

	ACTUAL H1 2020	GUIDANCE FY 2020	ACTUAL FY 2019
Net Sales	521 M€	1.030/1.050 M€	1.006
% chg. vs previous period	+5,7%	+2,4%/+4,4%	
Adj. EBITDA excl. IFRS 16	19,4 M€	37,5/39,5 M€	28,9
% chg. vs previous period	+31,3%	+30%/+37%	
Adj. EBITDA	23,5 M€	44,5/46,6 M€	38,7
% chg. vs previous period	+22%	+15%/+20%	
NFP excl. IFRS 16	88,2 M€	70/ 75 M€	66,9 M€
NFP Reported	119,1 M€	100/105 M€	126,9 M€

- **Actual H1 Results are in line with FY Guidance in terms of trend** - normally both revenues and Adj. Ebitda have a 50:50 (+/-2%) distribution over the semesters
- **FY Guidance is confirmed**

APPENDIX



Mid-long term strategy

ORSERO

The Group's strategy is to keep focusing on its core business, with particular regard to fresh fruit and vegetables, strengthening its competitive position in southern Europe, while maintaining a solid financial and asset structure.

IMPORT & DISTRIBUTION SEGMENT

In the coming years, the Import & Distribution BU revenue growth drivers will be:

- **organic growth**, which in turn is based on some development guidelines:
 - ▶ **limited but steady increase of consumption** of fresh Fruit and Vegetables,
 - ▶ **consolidation** of the **European distribution** market,
 - ▶ development of products with a greater level of "**convenience**"/ **service** such as fresh-cut fruit, portioned and prewashed fruit, exotic fruit and fresh smoothies.
- **growth by external lines**:
 - ▶ **acquisitions in the distribution sector**;
 - ▶ investment in companies specialized in **market segments or high potential product lines**, e.g. berries.
- **reduction of the dependence on bananas**, by increasing the weight of the other products.
- **Import, to maintain the current position in green banana and pineapples**,
 - ▶ search for attractive partnerships with growers
 - ▶ monitoring of EUR/USD exchange rate;

Medium-long term: increase from ~1% to ~10% the share of distribution sales from all **new and added-value product** families

SHIPPING

Shipping, to **preserve the value of the ship** and trying to **mitigate the exposure to the operational risks** of this activity:

- execution of the mandatory maintenance cycles (Dry-dock),
- Reduction of fuel consumption,
- BAF Clause (freight rate adjustment on fluctuation of fuel costs)

IMO – MARPOL 2020(*), is effective from 1 Jan. 2020:

- the Group's refer vessels are burning bunker fuel compliant with new regulations (i.e. Sulphur content <0,5%)

(*) Environmental regulation promoted by the IMO to curb Sulphur emission, further information to the link: <http://www.imo.org/en/mediacentre/hottopics/pages/sulphur-2020.aspx>

NEW BUSINESS SEGMENTS 2020 - Details

Business Unit reshuffle implemented since 1/1/2020:

- **Ex Distribution:** also the companies active in the **import of bananas and pineapples** (especially Simba) join the BU and it will be renamed "**Import and Distribution**"
- **Ex Import & Shipping:** as a consequence of the above described reallocation, the BU is renamed "**Shipping**", being now concentrated exclusively on ship owning, serving the Group and third parties (approx. 50% -50%)
- **Services:** **unchanged**, except for the divestiture from a small company in the container maintenance business (VCS).

This reorganization reflects the increasing **interconnection** between the **banana and pineapple import business and the distribution business**: 85% of the revenues relating to this business are developed through the Group's distribution network; in addition.

The new business segmentation will bring a simplification in the understanding of the BU data, reducing the amount of intra-segment revenues originated in the past from Simba and, thus, the elimination among Group's different BU's.

SHIPPING

- The sector is made up essentially of Cosiarma (ship owning company) and its subsidiary in Costa Rica.
- It mainly deals with the **reefer maritime transport of bananas and pineapples** between Central-South America and South Europe (mainly carried out with owned ships), as well as some marginal activities such as the transport of dry containers and the management of a container park for third parties .
- The shipping business is ancillary to the importation of bananas and pineapples. ~ 50% of transported volume, while the remaining space is sold to 3rd parties.

IMPORT & DISTRIBUTION

- Under this BU are gathered the companies operating in the import and **distribution of wide range of imported and local fresh produce** through a **distinctive geographical presence** in Southern – EU.
- The distribution network consists of more than **20 ripening centres, logistic platforms for cool storage and re-packing** of fruit and veg, along with **5 fresh cut processing facilities** and several **sales outlets in wholesale markets**.
- The group is also directly present in the **export of avocados from Mexico** by means of a small farm and of an important packing house.
- The **Import of banana and pineapple** is the main integrated supply-chain within the Group, providing 52-weeks a year the distributing companies thanks to a network of **long-term relationships with main independent producers** in Central-South America.





















SERVICE

- the Service segment is residual and comprises the parent company Orsero (strategic coordination and promotion/marketing of "F.lli Orsero" brand) and some companies engaged in providing ancillary services (ICT and Customs clearance).

Condensed Company structure

OLD BUSINESS SEGMENTS UP 31.12.2019

ORSERO SPA



















IMPORT & SHIPPING	DISTRIBUTION		SERVICES & HOLDING
COSIARMA (Italy) 	FRUTTITAL (Italy) 	H.NOS FERNÁNDEZ LÓPEZ (Spain) 	HOLDING SERVICES (Orsero S.p.A.) 
ORSERO CR (Costa Rica) 	FRUTTITAL FIRENZE (Italy) 	SEVIMPOR¹⁾ (Spain) 	Fresco Forw. Agency (Italy) 
SIMBA (Italy) 	GALANDI (Italy) 	AZ FRANCE (France) 	ORSERO SERVIZI (Italy) 
SIMBACOL (Colombia) 	FRUTTITAL CAGLIARI³⁾ (Italy) 	FRUTTICA²⁾ (France) 	FRUPORT (Spain) (49%) 
	MONCADA FRUTTA (Italy) (50%) 	EUROFRUTAS (Portugal) 	
	BELLA FRUTTA (Greece) 		
	COMM. DE FRUTA ACAPULCO (Mexico) 		

Line by Line Consolidation

Equity Method

NEW BUSINESS SEGMENTS FROM 01.01.2020

ORSERO SPA

SHIPPING	IMPORT & DISTRIBUTION		SERVICES & HOLDING
COSIARMA (Italy) 	FRUTTITAL (Italy) 	H.NOS FERNÁNDEZ LÓPEZ (Spain) 	HOLDING SERVICES (Orsero S.p.A.) 
ORSERO CR (Costa Rica) 	FRUTTITAL FIRENZE (Italy) 	AZ FRANCE (France) 	Fresco Forw. Agency (Italy) 
	GALANDI (Italy) 	FRUTTICA (France) 	ORSERO SERVIZI (Italy) 
	SIMBA (Italy) 	EUROFRUTAS (Portugal) 	FRUPORT (Spain) (49%) 
	SIMBACOL (Colombia) 	BELLA FRUTTA (Greece) 	
	MONCADA FRUTTA (Italy) (50%) 	COMM. DE FRUTA ACAPULCO (Mexico) 	

- Simplification effective **from 1 Jul. 2020** : *Fruttital Cagliari* merged into **Fruttital**; *Sevimpor* merged into **Hermanos Fernández López**.
- The company structure will be further streamlined through the merger of *Fruttital Firenze* into **Fruttital** (2021).
- Orsero announced on 29 July 2020 the acquisition of remaining 50% of **Moncada Frutta**, the company enters the consolidation scope (line-by-line consolidation) from July 2020 onwards.

Note: This slide is an illustrative and simplified company structure showing only the main operating subsidiaries/associates/joint ventures of Orsero Group. If not otherwise specified the companies are intended as wholly owned by the Group.

(1) Acquisition of 100% in Jan. 2019. Line-by-Line consolidation from 1 Jan 2019.

(2) Acquisition of 100% in Mar. 2019. Line-by-Line consolidation from 1 April 2019.

(3) Acquisition of 75% in Jul. 2019 (25% already owned by the Group). Line-by-Line consolidation from 1 July 2019.

MAIN 2020 TRANSACTIONS

PURCHASE OF 4 INDUSTRIAL PROPERTIES IN ITALY

PROPERTIES DESCRIPTION:

- The 4 buildings have a total area of ~ **34,200 m2** and are already deployed as logistic platform by Fruttital, the main distributing company of Orsero Group, under a lease agreement (stipulated in 2015 and expiring in 2035) at an **annual rent of 2.1 M€**.

TRANSACTION CONDITIONS

- The selling party is Nuova Beni Immobiliari S.r.l., is a related party of Orsero(*);
- Purchase price equal to ~ **18 M€** was paid at the sign off in January 2020 and financed by 15 M€ of 10-Y mortgage loan and, for the remainder, by Group's own resources.

MAIN IMPACT

- The **NFP including the effect of IFRS 16 will decrease by abt. 10 M€** due to the difference between the "right of use" value of the properties (equal to approx. 27.5 M€) and the consideration paid (~ 18M€) .
- **Adjusted Ebitda excl. IFRS16 will increase by 2,1 M€** but is **neutral in respect to the Adjusted Ebitda including IFRS 16**.
- Over the period 2020-2035 the overall benefit on Net Results will be on average abt. 1 M€/year.

TARGET DESCRIPTION:

- **Moncada Frutta SRL**, based in Ispica/Ragusa (Italy), is active in banana ripening and distribution of fresh fruit and vegetables in Sicily.
- 1 logistic platform of a abt. 1.800 m2, equipped with ripening rooms , cool storages and a packing area;
- Total sales FY 2019 abt.16,8 M€, with an **Adjusted EBITDA of 0,7 M€** and substantially neutral NFP.

MONCADA FRUTTA

TRANSACTION CONDITIONS:

- Acquisition of remaining 50% of the share capital, since 2011 Orsero already held a 50% stake therefore Moncada Frutta is fully owned and consolidated line-by-line from July 2020;
- The consideration for the acquisition is mixed in Orsero's share and in cash :
 - ▶ a fixed component of 176.825 Orsero shares, equal to 1.0% of Orsero's share capital, assigned on the execution date;
 - ▶ a variable and deferred component of maximum 0,5 M€ , to be paid in 3 equal annual instalments subject to the fact that in the reference financial statements of Moncada Frutta there is a profit distributable to shareholders (the financial statements may also be related to non-consecutive years as long as not after the 2029).

(*) Given the size of the transaction, it is qualified as a "transaction of greater importance with related parties". In this respect, an information document pursuant to art. 5 of Consob Regulation no. 17221/2010 is available to the public on the corporate website (www.orserogroup.it).

Consolidated INCOME STATEMENT

Amounts in €/000	H1 2020 Excl. IFRS 16*	%	IFRS 16 Effect	H1 2020 Reported	%	H1 2019 Reported	%	Reported 31/12/2019	%	Reported 31/12/2018	%
Net sales	520.759	100,0%	-	520.759	100,0%	492.895	100,0%	1.005.718	100,0%	952.756	100,0%
- cost of goods sold	(477.749)	-91,7%	323	(477.426)	-91,7%	(453.353)	-92,0%	(927.927)	-92,3%	(874.801)	-91,8%
Gross Profit	43.010	8,3%	323	43.333	8,3%	39.542	8,0%	77.792	7,7%	77.956	8,2%
- overheads	(33.337)	-6,4%	26	(33.311)	-6,4%	(33.526)	-6,8%	(67.693)	-6,7%	(67.016)	-7,0%
- other income and expenses	(1.061)	-0,2%	133	(929)	-0,2%	(1.354)	-0,3%	(1.720)	-0,2%	412	0,0%
Operating Result (Ebit)	8.612	1,7%	482	9.094	1,7%	4.662	0,9%	8.378	0,8%	11.352	1,2%
- net financial items and exch. rate	(792)	-0,2%	(508)	(1.301)	-0,2%	(2.097)	-0,4%	(4.623)	-0,5%	(2.461)	-0,3%
- net result from equity investments	20	0,0%	-	20	0,0%	1	0,0%	959	0,1%	1.163	0,1%
- Share of net profit of associated/JV	522	0,1%	-	522	0,1%	32	0,0%	751	0,1%	1.187	0,1%
Profit before tax	8.361	1,6%	(26)	8.335	1,6%	2.599	0,5%	5.465	0,5%	11.241	1,2%
- tax expenses	(2.123)	-0,4%	-	(2.123)	-0,4%	(1.488)	-0,3%	(3.201)	-0,3%	(3.239)	-0,3%
Net profit	6.238	1,2%	(26)	6.212	1,2%	1.111	0,2%	2.264	0,2%	8.002	0,8%
INCOME STATEMENT ADJUSTMENTS:											
ADJUSTED EBITDA	19.406	3,7%	4.093	23.499	4,5%	19.259	3,9%	38.706	3,8%	32.857	3,4%
D&A	(8.180)	-1,6%	(3.611)	(11.791)	-2,3%	(10.683)	-2,2%	(23.707)	-2,4%	(13.673)	-1,4%
Provisions	(786)	-0,2%	-	(786)	-0,2%	(902)	-0,2%	(2.046)	-0,2%	(1.706)	-0,2%
LTI Plan	-	0,0%	-	-	0,0%	-	0,0%	-	0,0%	(2.142)	-0,2%
Non recurring Income	41	0,0%	-	41	0,0%	558	0,1%	820	0,1%	279	0,0%
Non recurring Expenses	(1.870)	-0,4%	-	(1.870)	-0,4%	(3.570)	-0,7%	(5.395)	-0,5%	(4.263)	-0,4%
Operating Result (Ebit)	8.612	1,7%	482	9.094	1,7%	4.662	0,9%	8.378	0,8%	11.352	1,2%

(*) Data excluding the effect of IFRS 16 adoption, consisting chiefly in the recognition of incremental Adjusted Ebitda of 4,5 M€ in H1 2019 and 4,1 M€ in H1 2020 and incremental NFP of 30,8 M€ in H1 2020 and 60 M€ in FY 2019

Consolidated STATEMENT of financial position

Amounts in €/000	H1 2020 No IFRS 16	IFRS 16 Effect	H1 2020 Reported	31/12/2019 Reported
- goodwill	46.828	-	46.828	46.828
- other intangible assets	5.894	-	5.894	5.145
- tangible assets	137.230	30.447	167.677	181.722
- financial assets	7.588	-	7.588	8.117
- other fixed assets	5.123	-	5.123	5.401
- deferred tax assets	8.709	-	8.709	9.122
Non-Current Assets	211.373	30.447	241.820	256.336
- inventories	40.545	-	40.545	36.634
- trade receivables	134.703	-	134.703	121.439
- current tax receivables	13.708	-	13.708	16.971
- other current asset	13.965	-	13.965	11.066
- cash and cash equivalent	45.242	-	45.242	56.562
Current Assets	248.162	-	248.162	242.672
Assets held for sale	-	-	-	-
TOTAL ASSETS	459.536	30.447	489.982	499.008

Amounts in €/000	H1 2020 No IFRS 16	IFRS 16 Effect	H1 2020 Reported	31/12/2019 Reported
- share capital	69.163	-	69.163	69.163
- reserves	79.183	(372)	78.811	79.036
- net result	6.037	(25)	6.012	2.022
Group Equity	154.383	(397)	153.986	150.221
Non-Controlling Interest	731	(5)	726	710
TOTAL SHAREHOLDERS' EQUITY	155.114	(402)	154.712	150.931
- non-current financial liabilities	85.524	24.454	109.978	131.583
- other non-current liabilities	286	-	286	349
- deferred tax liabilities	5.249	-	5.249	5.216
- provisions for risks and charges	4.570	-	4.570	4.345
- employees benefits liabilities	9.433	-	9.433	9.422
NON-CURRENT LIABILITIES	105.062	24.454	129.516	150.915
- current financial liabilities	48.015	6.394	54.409	51.897
- trade payables	130.709	-	130.709	127.523
- current tax and social security liabilities	6.991	-	6.991	6.400
- other current liabilities	13.644	-	13.644	11.343
CURRENT LIABILITIES	199.360	6.394	205.754	197.162
Liabilities held for sale	-	-	-	-
TOTAL LIABILITIES AND EQUITY	459.536	30.447	489.982	499.008

DEFINITIONS & Symbols

- Y.o.y. = year on year,
- Abt. = about
- Adjusted ebitda = Earning Before Interests Tax, Depreciation and Amortization excluding non-recurring items and figurative costs related to LT incentives
- AGM = Annual General Meeting
- Approx. = Approximatively
- BAF = Bunker Adjustment Factor
- BC = Business Combination
- BoD = Board of Directors
- Bps. = basis points
- BU = Business Unit
- D&A = Depreciations and Amortizations
- EBIT = Earnings Before Interests Tax
- EBITDA = Earnings Before Interests Tax Depreciations and Amortizations
- Excl.= exuding
- F&V = Fruit & Vegetables
- FTE = Full Time Equivalent
- FY = Full Year
- H1 = first half (i.e. period 1/1/2019 – 30/6/2019)
- H2= second half (i.e. period 1/7/2019-31/12/2019)
- HFL = Hermanos Fernández López S.A.
- I/S = Inter Segment
- I/co = Intercompany
- LFL = Like for like
- LTI = Long- Term Incentive
- M&A = Merger and Acquisition
- MLT = Medium Long Term
- MTM = Mark to market
- NFP = Net Financial Position, if positive is meant debt
- NS = Not significant
- PBT = Profit Before tax
- Plt. = Pallet
- PY = previous year or prior year
- SPAC = Special Purpose Acquisition Company
- TTM = Trailing 12 months
- **M** = million
- **K** = thousands
- **€** = EURO
- **, (comma) = separator of decimal digits**
- **. (full stop) = separator of thousands**



ORSERO SPA
www.orserogroup.it