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31 March 2022

Condensed Consolidated Interim Financial Statements

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The Board of Directors' and CEO's Report

Marel is a leading global provider of advanced processing equipment, systems, software and services to the poultry, meat and fish industries. Marel has a global reach with local presence in over 30 countries, with sales and service engineers servicing customers in over 140 countries.

The Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2022 comprise the financial statements of Marel hf. (“the Company”) and its subsidiaries (together “the Group” or “Marel”). The Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group’s Annual Consolidated Financial Statements as at and for the year ended 31 December 2021.

The Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understand the changes in the Group’s financial position and performance from year end 2021.

Operations in three-month period ended 31 March 2022

The consolidated revenues for Marel for the three-month period ended 31 March 2022 are EUR 371.6 million (2021: EUR 334.0 million). The adjusted result from operations for the same period is EUR 31.3 million or 8.4% of revenues (2021: EUR 38.0 million or 11.4% of revenues).

The bridge between adjusted result from operations and result from operations as shown in the Consolidated Statement of Income is as follows:

	YTD 2022	YTD 2021
Adjusted result from operations[1]	31.3	38.0
Non-IFRS adjustments	(6.3)	(7.9)
Result from operations	**25.0**	**30.1**

[1] Result from operations is adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses.

At 31 March 2022 the Company’s order book amounted to EUR 619.1 million (at 31 December 2021: EUR 569.0 million). Orders received for three-month period ended 31 March 2022 amounted to EUR 421.7 million (2021: EUR 369.4 million).

Net cash from operating activities for the three-month period ended 31 March 2022 was EUR 28.2 million (2021: EUR 54.9 million).

Capital expenditures for the three-month period ended 31 March 2022 EUR 16.1 million (2021: EUR 14.5 million). Marel is stepping up in market coverage and focusing on important initiatives to automate and digitize our manufacturing platform, supply chain and aftermarket business to create more agility and flexibility in our operations ahead of the anticipated growth curve.

At 31 March 2022, net cash and cash equivalents were EUR 63.6 million (31 December 2021: EUR 77.1 million). Net interest-bearing debt increased from EUR 199.2 million at the end of 2021 to EUR 238.1 million as per 31 March 2022.

Based on the Company's 2022 Annual General Meeting resolution, a dividend of EUR 38.7 million (EUR 5.12 cents per share) was declared and paid to the shareholders in Q1 2022 for the operational year 2021. This corresponds to approximately 40% of net result for the operational year 2021 (in 2021: a dividend of EUR 41.0 million, EUR 5.45 cents per share, corresponding to 40% of net result for the year 2020, was declared and paid out to shareholders for the operational year 2020).

Acquisitions in 2022

On 1 February 2022, Marel acquired an additional 50.0% of the share capital of Curio ehf. ("Curio") bringing Marel's total share to 100%. Curio and Marel have worked closely together since Marel's initial investment in Curio on 22 October 2019 and as such, Marel initiated the acquisition of the remaining shares ahead of the timing agreed in the put option. Further information is provided in note 4 of the Condensed Consolidated Interim Financial Statements.

Russian military invasion of Ukraine

Marel strongly condemns the military actions of the Russian government in Ukraine. Following the invasion, Marel has taken the decision to pause all new projects in Russia. Marel operates a sales and service office in Russia and employs a team of approximately 70 people. We have limited reliance on vendors and do not operate any manufacturing facilities in the area. Marel continues to comply with all applicable sanctions.

Marel's highest priority is the safety and wellbeing of its employees. Marel is maintaining its dedicated teams in the Ukraine and Russia and the office in Russia, despite expected lower utilization in the near future. Marel’s annual revenues and order book in Russia and Ukraine amount to approximately 4% of total, most weighted towards the meat segment.

Outlook

Marel is experiencing strong demand for its solutions, software and services driven by an accelerating focus on automation, robotics technology and digital solutions that support sustainable food processing. Market conditions have been challenging due to geopolitical uncertainty and the peak of pandemic related absenteeism in 1Q22. Current supply chain challenges are resulting in inefficiencies in manufacturing and higher costs associated with timely delivery. Marel is targeting a gradual build up of revenues during 2022 and better price/cost coverage in new orders.

Marel has a balanced exposure to global economies and local markets through its global reach, innovative product portfolio and diversified business mix. Marel's business model has proven to be resilient during times of turbulence. Marel is committed to achieve its mid- and long-term growth targets.

Statement by the Board of Directors and the CEO

According to the Board of Directors' and CEO's best knowledge, the Condensed Consolidated Interim Financial Statements give a true and fair view of the consolidated financial performance of the Group for the three-month period ended 31 March 2022, its assets, liabilities and consolidated financial position as at 31 March 2022 and its consolidated cash flows for the three-month period ended 31 March 2022.

Furthermore, in our opinion the Condensed Consolidated Interim Financial Statements and the endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Group's operations and its position and describe the principal risks and uncertainties faced by the Group.

The Board of Directors and CEO of Marel hf. hereby ratify the Condensed Consolidated Interim Financial Statements of Marel hf. for the three-month period ended 31 March 2022 with their signatures.

Gardabaer, 27 April 2022

Board of Directors

Arnar Thor Masson
Chairman of the Board

Ann Elizabeth Savage

Astvaldur Johannsson

Lillie Li Valeur

Olafur S. Gudmundsson

Svafa Grönfeldt

Ton van der Laan

Chief Executive Officer

Arni Oddur Thordarson

Consolidated Statement of Income

In EUR million unless stated otherwise	Notes	YTD 2022	YTD 2021
Revenues	5 & 6 & 7	371.6	334.0
Cost of sales	5 & 8	(237.9)	(212.2)
Gross profit	5 & 6	**133.7**	**121.8**
Selling and marketing expenses	5 & 8	(54.1)	(42.6)
General and administrative expenses	5 & 8	(30.5)	(26.9)
Research and development expenses	5 & 8	(24.1)	(22.2)
Result from operations	5	**25.0**	**30.1**
Finance costs	9	(1.5)	(4.4)
Finance income	9	4.9	0.0
Net finance costs	9	**3.4**	**(4.4)**
Share of result of associates	16	(0.8)	(0.1)
Result before income tax		**27.6**	**25.6**
Income tax	10	(5.9)	(4.4)
Net result		**21.7**	**21.2**
Of which:			
- Net result attributable to Shareholders of the Company	11	21.7	21.2
- Net result attributable to non-controlling interests	20	0.0	0.0
Earnings per share for result attributable to Shareholders of the Company during the period (expressed in EUR cent per share):			
- Basic	11	2.87	2.82
- Diluted	11	2.82	2.79

The notes on pages 10-27 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Comprehensive Income

In EUR million	Notes	YTD 2022	YTD 2021
Net result		**21.7**	**21.2**
Items that are or may be reclassified to profit or loss:			
Currency translation differences	20	5.3	5.3
Cash flow hedges	20	1.2	1.4
Deferred income taxes	18 & 20	(0.3)	(0.3)
Other comprehensive income / (loss) for the period, net of tax		**6.2**	**6.4**
Total comprehensive income for the period		**27.9**	**27.6**
Of which:			
- Total comprehensive income attributable to Shareholders of the Company		27.9	27.6
- Total comprehensive income attributable to non-controlling interests	20	0.0	0.0

The notes on pages 10-27 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Financial Position

In EUR million	Notes	31/03 2022	31/12 2021
Assets			
Property, plant and equipment	12	233.4	228.7
Right of use assets	13	40.6	40.5
Goodwill	14	707.6	705.2
Intangible assets	15	357.2	357.2
Investments in associates	16	11.9	12.7
Deferred income tax assets	18	18.9	18.1
Non-current assets		**1,369.6**	**1,362.4**
Inventories	19	301.0	273.4
Contract assets	7	71.1	69.6
Trade receivables	7 & 17	181.2	154.7
Derivative financial instruments	24	2.2	1.1
Other receivables and prepayments	17	82.5	66.7
Cash and cash equivalents		63.6	77.1
Current assets		**701.6**	**642.6**
Total assets		**2,071.2**	**2,005.0**
Equity and liabilities			
Share capital	20	6.7	6.7
Share premium reserve	20	450.9	450.3
Other reserves	20	(15.6)	(22.1)
Other equity	20	-	(13.6)
Retained earnings	20	576.8	593.8
Shareholders' equity		**1,018.8**	**1,015.1**
Non-controlling interests	20	0.1	8.0
Total equity		**1,018.9**	**1,023.1**
Liabilities			
Borrowings	21	260.1	234.9
Lease liabilities	21	31.4	30.9
Deferred income tax liabilities	18	89.6	92.1
Provisions	22	3.7	4.0
Other payables	23	9.1	22.7
Derivative financial instruments	24	-	0.4
Non-current liabilities		**393.9**	**385.0**
Contract liabilities	7	340.8	306.0
Trade and other payables	23	282.9	259.4
Derivative financial instruments	24	0.1	0.8
Current income tax liabilities		14.0	10.7
Borrowings	21	0.0	0.0
Lease liabilities	21	10.2	10.5
Provisions	22	10.4	9.5
Current liabilities		**658.4**	**596.9**
Total liabilities		**1,052.3**	**981.9**
Total equity and liabilities		**2,071.2**	**2,005.0**

The notes on pages 10-27 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Changes in Equity

In EUR million	Share capital	Share premium reserve[1]	Other reserves[2]	Other equity[3]	Retained earnings[4]	Share-holders' equity	Non-controlling interests	Total equity
Balance at 1 January 2022	**6.7**	**450.3**	**(22.1)**	**(13.6)**	**593.8**	**1,015.1**	**8.0**	**1,023.1**
Net result for the period					21.7	21.7	0.0	21.7
Total other comprehensive income			6.5	(0.3)		6.2		6.2
Transactions with owners of the Company								
Treasury shares sold	0.0	(0.4)				(0.4)		(0.4)
Options granted / exercised / canceled	0.0	1.0			0.2	1.2		1.2
Transactions with non-controlling interests				13.9	(0.2)	13.7	(7.9)	5.8
Dividend					(38.7)	(38.7)		(38.7)
	0.0	**0.6**	**6.5**	**13.6**	**(17.0)**	**3.7**	**(7.9)**	**(4.2)**
Balance at 31 March 2022	**6.7**	**450.9**	**(15.6)**	**-**	**576.8**	**1,018.8**	**0.1**	**1,018.9**

In EUR million	Share capital	Share premium reserve[1]	Other reserves[2]	Other equity[3]	Retained earnings[4]	Share-holders' equity	Non-controlling interests	Total equity
Balance at 1 January 2021	**6.7**	**442.8**	**(27.5)**	**-**	**536.4**	**958.4**	**0.3**	**958.7**
Net result for the period					21.2	21.2	0.0	21.2
Total other comprehensive income			6.4			6.4		6.4
Transactions with owners of the Company								
Treasury shares sold	0.0	(0.5)				(0.5)		(0.5)
Options granted / exercised / canceled		0.8				0.8		0.8
Non-controlling interests on acquisition of subsidiary							8.5	8.5
Transactions with non-controlling interests				(13.4)		(13.4)		(13.4)
Dividend					(41.0)	(41.0)	-	(41.0)
	0.0	**0.3**	**6.4**	**(13.4)**	**(19.8)**	**(26.5)**	**8.5**	**(18.0)**
Balance at 31 March 2021	**6.7**	**443.1**	**(21.1)**	**(13.4)**	**516.6**	**931.9**	**8.8**	**940.7**
Net result for the period					75.6	75.6	(0.6)	75.0
Total other comprehensive income			(1.0)	(0.8)		(1.8)		(1.8)
Treasury shares sold	0.0	10.4				10.4		10.4
Options granted / exercised / canceled	0.0	(3.2)			1.6	(1.6)		(1.6)
Non-controlling interests on acquisition of subsidiary								
Transactions with non-controlling interests				0.6		0.6		0.6
Dividend							(0.2)	(0.2)
	0.0	**7.2**	**(1.0)**	**(0.2)**	**77.2**	**83.2**	**(0.8)**	**82.4**
Balance at 31 December 2021	**6.7**	**450.3**	**(22.1)**	**(13.6)**	**593.8**	**1,015.1**	**8.0**	**1,023.1**

1 Includes reserve for share-based payments as per 31 March 2022 of EUR 8.1 million (31 December 2021: EUR 7.3 million).
2 For details on other reserves refer to note 20.
3 Includes equity impact of the option to acquire the remaining shares of non-controlling interests. For further information refer to note 20.
4 Includes a legal reserve for capitalized intangible assets related to product development projects as per 31 March 2022 of EUR 91.1 million (31 December 2021: EUR 88.1 million).

The notes on pages 10-27 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Cash Flows

In EUR million	Notes	YTD 2022	YTD 2021
Cash Flow from operating activities			
Result from operations		**25.0**	**30.1**
Adjustments to reconcile result from operations to net cash provided by / (used in) operating activities:			
Depreciation and impairment of property, plant and equipment and right of use assets	12 & 13	7.7	7.1
Amortization and impairment of intangible assets	15	8.9	10.1
Adjustments for other non-cash income and expenses		1.2	0.9
Working capital provided by / (used in) operating activities		**42.8**	**48.2**
Changes in working capital:			
Inventories and contract assets and liabilities		7.1	(7.8)
Trade and other receivables		(37.1)	1.2
Trade and other payables		19.5	15.4
Provisions		0.4	3.2
Changes in operating assets and liabilities		**(10.1)**	**12.0**
Cash generated from operating activities		**32.7**	**60.2**
Taxes paid		(5.0)	(4.7)
Interest and finance income		0.6	0.1
Interest and finance costs		(0.1)	(0.7)
Net cash from operating activities		**28.2**	**54.9**
Cash Flow from investing activities			
Purchase of property, plant and equipment	12	(6.3)	(5.3)
Investments in intangibles	15	(7.1)	(6.1)
Proceeds from sale of non-current assets and assets held for sale	12 & 15	0.3	1.4
Investments in associates	16	-	(8.6)
Acquisition of subsidiary, net of cash acquired	4	(15.9)	(13.1)
Net cash provided by / (used in) investing activities		**(29.0)**	**(31.7)**
Cash Flow from financing activities			
Sale of treasury shares and options exercised	20	0.3	-
Dividends paid	20	(38.7)	-
Proceeds from borrowings	21	65.0	12.5
Repayments of borrowings	21	(40.0)	(13.2)
Payments of lease liabilities	21	(3.3)	(2.7)
Net cash provided by / (used in) financing activities		**(16.7)**	**(3.4)**
Net increase / (decrease) in net cash		**(17.5)**	**19.8**
Exchange gain / (loss) on net cash		4.0	3.2
Net cash at beginning of the period		77.1	78.6
Net cash at end of the period		**63.6**	**101.6**

The notes on pages 10-27 are an integral part of the Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

1 General information

Reporting entity

Marel hf. ("the Company") is a limited liability company incorporated and domiciled in Iceland. The address of its registered office is Austurhraun 9, Gardabaer.

The Condensed Consolidated Interim Financial Statements of the Company as at and for the three-month period ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as "the Group" or "Marel”).

The Group is a leading global provider of advanced processing equipment, systems, software and services to the poultry, meat and fish industries and is involved in the manufacturing, development, distribution and sales of solutions for these industries.

These Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2022 have not been audited nor reviewed by an external auditor.

All amounts are in millions of EUR unless otherwise indicated.

These Condensed Consolidated Interim Financial Statements have been approved for issue by the Board of Directors and CEO on 27 April 2022.

The Company is listed on the Nasdaq Iceland (“Nasdaq”) and on Euronext Amsterdam (“Euronext”) exchanges.

2 Basis of preparation and use of judgments and estimates

Base of preparation

These Condensed Consolidated Interim Financial Statements of the Company and its subsidiaries are for the three-month period ended 31 March 2022 and have been prepared in accordance with IAS 34 as adopted by the European Union.

The Condensed Consolidated Interim Financial Statements should be read in conjunction with the Group’s Annual Consolidated Financial Statements for the year ended 31 December 2021. The Consolidated Financial Statements for the Group for the period ended 31 December 2021 are available upon request from the Company's registered office at Austurhraun 9, Gardabaer, Iceland or at www.marel.com.

These Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

These Condensed Consolidated Interim Financial Statements have been prepared under the historical cost convention, except for the valuation of financial assets and liabilities (including derivative instruments) which are valued at fair value through the Consolidated Statement of Comprehensive Income.

Items of each entity in the Group, as included in the Condensed Consolidated Interim Financial Statements, are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (“the functional currency”). The Condensed Consolidated Interim Financial Statements are presented in Euro (EUR), which is the Group's reporting currency.

Use of judgments and estimates

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's Annual Consolidated Financial Statements for the year ended 31 December 2021.

3 Accounting policies

The accounting policies applied in these Condensed Consolidated Interim Financial Statements are consistent with those applied and described in the Annual Consolidated Financial Statements for the year ended 31 December 2021.

The accounting policies have been applied consistently for all periods presented in these Condensed Consolidated Interim Financial Statements.

4 Business combinations

Under IFRS 3, up to one year from the acquisition date, the initial accounting for business combinations is to be adjusted to reflect new information that has been received about facts and circumstances that existed at the acquisition date and would have affected the measurement of amounts recognized as of that date. As a result of such adjustments the values of assets and liabilities recognized may change in the one-year period from the acquisition date.

Curio

On 1 February 2022, Marel acquired the remaining 50.0% of the shares of Curio for an additional investment of EUR 15.9 million. Curio and Marel have worked closely together since Marel's initial investment in Curio on 22 October 2019 and as such, Marel initiated the acquisition of the remaining shares ahead of the timing agreed in the put option. Curio was consolidated in Marel's financial results as of Q1 2021 at the moment Marel assessed it had control over Curio. Immediately after obtaining control, the purchase price allocation ("PPA") activities started which were finalized in 2021. For further information on the outcomes of the PPA, we refer to the Group's Annual Consolidated Financial Statements for the year ended 31 December 2021.

Since this additional investment in Curio does not result in a change of control, it is treated as an equity transaction. As a result, no changes in the carrying amounts of Curio's assets (including goodwill) were recognized. The difference between the change in non-controlling interest and the consideration paid is recognized directly in equity.

5 Non-IFRS measurement

In this note to the Condensed Consolidated Interim Financial Statements Marel presents certain financial measures when discussing Marel's performance that are not measures of financial performance or liquidity under IFRS ("non-IFRS"). Non-IFRS measures do not have standardized meanings under IFRS and not all companies calculate non-IFRS measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies that have the same or similar names. The non-IFRS measures are not meant to be considered in isolation or as a substitute for comparable IFRS measures and should be read only in conjunction with our Condensed Consolidated Interim Financial Statements prepared in accordance with IFRS.

Management has presented adjusted result from operations as a performance measure because it monitors this performance measure at a consolidated level and believes that this measure is relevant to an understanding of the Group's financial performance. Adjusted result from operations is calculated by adjusting result from operations to exclude the impact of PPA related costs (consisting of depreciation and amortization of acquisition related (in)tangible assets) and acquisition related expenses. No other adjustments are included in adjusted result from operations.

The reconciliation of adjusted result from operations to the most directly comparable IFRS measure, result from operations, is included in the following table.

	YTD 2022 As reported	YTD 2022 Non-IFRS adjustments	YTD 2022 Non-IFRS measures	YTD 2021 As reported	YTD 2021 Non-IFRS adjustments	YTD 2021 Non-IFRS measures
Revenues	371.6	-	371.6	334.0	-	334.0
Cost of sales	(237.9)	0.3	(237.6)	(212.2)	2.6	(209.6)
Gross profit	**133.7**	**0.3**	**134.0**	**121.8**	**2.6**	**124.4**
Selling and marketing expenses	(54.1)	2.8	(51.3)	(42.6)	2.6	(40.0)
General and administrative expenses	(30.5)	1.9	(28.6)	(26.9)	1.2	(25.7)
Research and development expenses	(24.1)	1.3	(22.8)	(22.2)	1.5	(20.7)
Adjusted result from operations		**6.3**	**31.3**		**7.9**	**38.0**
Non-IFRS adjustments		(6.3)	(6.3)		(7.9)	(7.9)
Result from operations	**25.0**	**-**	**25.0**	**30.1**	**-**	**30.1**

The non-IFRS adjustments to the result from operations includes the following:

	YTD 2022	YTD 2021
PPA related charges	4.5	6.8
Acquisition related expenses	1.8	1.1
Total non-IFRS adjustments	**6.3**	**7.9**

The reconciliation of earnings before interest (net finance costs), tax (income tax), depreciation and amortization ("EBITDA") to the most directly comparable IFRS measurement, result from operations, for the period indicated is included in the table below.

	YTD 2022	YTD 2021
Result from operations (EBIT)	25.0	30.1
Depreciation, amortization and impairment	16.6	17.2
Result before depreciation & amortization (EBITDA)	**41.6**	**47.3**

6 Segment information

Operating segments

The identified operating segments comprise the three core industries and Other, which are the reporting segments. These operating segments form the basis for managerial decision taking. The following summary describes the operations in each of the Group's reportable segments:

- Poultry processing: Our poultry full-line product range offers integrated systems, software and services for processing broilers, turkeys and ducks;
- Meat processing: Our meat industry is a full-line supplier for primary, secondary and further processing equipment, systems, software and services of pork, beef, veal and sheep;
- Fish processing: Marel provides advanced equipment, systems, software and services for processing salmon and whitefish, both farmed and wild, on-board and ashore; and
- The 'Other' segment includes any revenues, result from operations and assets which do not belong to the three core industries.

The reporting entities are reporting their revenues per operating segment based on the industry for which the customer is using Marel's product range. Therefore inter-segment revenues do not exist, only intercompany revenues within the same segment.

Results are monitored and managed at the operating segment level, up to the adjusted result from operations. Adjusted result from operations is used to measure performance as management believes that this information is the most relevant in evaluating the results of the respective Marel segments relative to other entities that operate in the same industries.

The Group's CEO reviews the internal management reports of each segment on a monthly basis.

Fluctuations between quarters are mainly due to general economic developments, timing of receiving and delivery of orders, margin on projects and business mix. Decisions on tax and financing structures including cash and cash equivalents are taken at a corporate level, therefore no financial income and expenses nor tax are allocated to the operating segments. The profit or loss per operating segment is the adjusted result from operations; finance costs and taxes are reported in the column total.

Intercompany transactions are entered at arm's length terms and conditions comparable to those available to unrelated parties. Information on assets per operating segment is reported; however, decisions on liabilities are taken at a corporate level and as such are not included in this disclosure.

31 March 2022	Poultry	Meat	Fish	Other	Total
Revenues	**188.6**	**125.9**	**43.6**	**13.5**	**371.6**
Adjusted result from operations	**22.7**	**8.4**	**(1.0)**	**1.2**	**31.3**
PPA related charges	(0.1)	(3.4)	(0.8)	(0.2)	(4.5)
Acquisition related expenses	-	-	-	(1.8)	(1.8)
Result from operations	**22.6**	**5.0**	**(1.8)**	**(0.8)**	**25.0**
Net finance costs					3.4
Share of result of associates					(0.8)
Result before income tax					**27.6**
Income tax					(5.9)
Net result for the period					**21.7**
Assets	**849.6**	**867.3**	**232.8**	**121.5**	**2,071.2**
Capital expenditures	8.6	5.8	1.1	0.6	16.1
Depreciation and amortization	(6.2)	(8.0)	(1.8)	(0.6)	(16.6)

31 March 2021	Poultry	Meat	Fish	Other	Total
Revenues	**159.1**	**125.8**	**39.8**	**9.3**	**334.0**
Adjusted result from operations	**25.8**	**9.8**	**2.1**	**0.3**	**38.0**
PPA related charges	(0.1)	(5.5)	(0.5)	(0.7)	(6.8)
Acquisition related expenses	-	-	-	(1.1)	(1.1)
Result from operations	**25.7**	**4.3**	**1.6**	**(1.5)**	**30.1**
Net finance costs					(4.4)
Share of result of associates					(0.1)
Result before income tax					**25.6**
Income tax					(4.4)
Net result for the period					**21.2**
Assets	**799.7**	**765.7**	**186.0**	**120.9**	**1,872.3**
Capital expenditures	6.9	5.5	1.7	0.4	14.5
Depreciation and amortization	(6.4)	(8.3)	(1.9)	(0.6)	(17.2)

Geographical information

The Group's operating segments operate in three main geographical areas, although they are managed on a global basis. The Group is domiciled in Iceland.

Assets excluding cash and cash equivalents	31/03 2022	31/12 2021
Europe, Middle East and Africa[1]	1,721.7	1,669.4
Americas	252.4	228.3
Asia and Oceania	33.5	30.2
Total	**2,007.6**	**1,927.9**

[1] Iceland accounts for EUR 274.6 million (31 December 2021: EUR 270.8 million).

Total assets exclude the Group's cash pool which the Group manages at a corporate level. Capital expenditures include investments in property, plant and equipment, right of use assets and intangible assets (including capitalized technology and development costs, refer to note 15).

Capital expenditure	YTD 2022	YTD 2021
Europe, Middle East and Africa[1]	14.1	11.6
Americas	1.8	1.3
Asia and Oceania	0.2	1.6
Total	**16.1**	**14.5**

[1] Iceland accounts for EUR 2.9 million (2021: EUR 3.1 million).

Cash capital expenditures are made up of capital expenditures excluding the investments in right of use assets. Cash capital expenditures for the three-month period ended 31 March 2022 amount to EUR 13.4 million (2021: EUR 11.4 million)

7 Revenues

Revenues

The Group's revenue is derived from contracts with customers. Within the segments and within the operating companies, Marel is not relying on any individual major customers.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets (revenue is allocated based on the country where the customer is located):

Revenue by geographical markets	YTD 2022	YTD 2021
Europe, Middle East and Africa[1]	189.1	169.8
Americas	139.1	115.2
Asia and Oceania	43.4	49.0
Total	**371.6**	**334.0**

[1] Iceland accounts for EUR 4.6 million (2021: EUR 2.7 million).

In the following table revenue is disaggregated by equipment revenue (comprised of revenue from greenfield and large projects, standard equipment and modernization equipment) and aftermarket revenue (comprised of maintenance, service and spare parts):

Revenue by business mix	YTD 2022	YTD 2021
Equipment revenue	222.4	202.6
Aftermarket revenue	149.2	131.4
Total	**371.6**	**334.0**

Trade receivables and contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Trade receivables and contract balances	31/03 2022	31/12 2021
Trade receivables	181.2	154.7
Contract assets	71.1	69.6
Contract liabilities	(340.8)	(306.0)

The contract assets (cost exceed billing) primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities (billing exceed cost) primarily relate to the advance consideration received from customers for standard equipment for which revenue is recognized at a point in time and for the sale of complete solutions or systems for which revenue is recognized over time.

No information is provided about remaining performance obligations at 31 March 2022 that have an original expected duration of one year or less, as allowed by IFRS 15.

8 Expenses by nature

Expenses by nature	YTD 2022	YTD 2021
Cost of goods sold	130.8	121.0
Employee benefits	152.6	128.9
Depreciation, amortization and impairment	16.6	17.2
Maintenance and rent of buildings and equipment	4.8	3.9
Other	41.8	32.9
Total	**346.6**	**303.9**

9 Net finance costs

Net finance costs	YTD 2022	YTD 2021
Finance costs:		
Interest on borrowings	(0.8)	(1.4)
Interest on leases	(0.2)	(0.2)
Other finance expenses	(0.5)	(0.4)
Net foreign exchange transaction losses	-	(2.4)
Subtotal finance costs	**(1.5)**	**(4.4)**
Finance income:		
Interest income	0.5	0.0
Net foreign exchange transaction gains	4.4	-
Subtotal finance income	**4.9**	**0.0**
Total	**3.4**	**(4.4)**

10 Income tax

Income tax recognized in the Consolidated Statement of Income	YTD 2022	YTD 2021
Current tax	(9.4)	(8.8)
Deferred tax	3.5	4.4
Total	**(5.9)**	**(4.4)**

Income tax expense is recognized at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in the interim period. As such, the effective tax rate in the Condensed Consolidated Interim Financial Statements may differ from the effective tax rate for the Annual Consolidated Financial Statements.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as shown in the next table.

Reconciliation of effective income tax	**YTD 2022**	%	**YTD 2021**	**%**
Result before income tax	27.6		25.6	
Income tax using Icelandic rate	(5.5)	20.0	(5.1)	20.0
Effect of tax rates in other jurisdictions	(1.9)	6.8	(1.1)	4.3
Weighted average applicable tax	(7.4)	26.8	**(6.2)**	**24.3**
Foreign exchange effect Iceland	0.4	(1.4)	0.5	(2.0)
Research and development tax incentives	1.9	(6.9)	1.3	(5.1)
Permanent differences	(0.3)	1.1	(0.5)	2.0
(Impairment)/reversal of tax losses	(0.2)	0.7	(0.0)	(0.0)
Effect of changes in tax rates	(0.3)	1.1	(0.0)	(0.0)
Others	0.0	(0.0)	0.5	(2.0)
Tax charge included in the Consolidated Statement of Income	**(5.9)**	**21.4**	**(4.4)**	**17.2**

11 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to Shareholders by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares.

Basic earnings per share (EUR cent per share)	**YTD 2022**	**YTD 2021**
Net result attributable to Shareholders (EUR millions)	21.7	21.2
Weighted average number of outstanding shares issued (millions)	755.9	752.3
Basic earnings per share (EUR cent per share)	**2.87**	**2.82**

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has one category of dilutive potential ordinary shares: stock options. For the stock options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding stock options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the stock options.

Diluted earnings per share (EUR cent per share)	**YTD 2022**	**YTD 2021**
Net result attributable to Shareholders (EUR millions)	21.7	21.2
Weighted average number of outstanding shares issued (millions)	755.9	752.3
Adjustments for stock options (millions)	13.1	8.2
Weighted average number of outstanding shares for diluted earnings per share (millions)	769.0	760.5
Diluted earnings per share (EUR cent per share)	**2.82**	**2.79**

12 Property, plant and equipment

	Land & buildings	Plant & machinery	Vehicles & equipment	Under con-struction	Total
1 January 2022					
Cost	233.0	103.9	61.4	16.1	414.4
Accumulated depreciation	(72.7)	(64.6)	(48.4)	-	(185.7)
Net book value	**160.3**	**39.3**	**13.0**	**16.1**	**228.7**
Three months ended 31 March 2022					
Opening net book value	160.3	39.3	13.0	16.1	228.7
Divestments	-	(0.2)	(0.1)	-	(0.3)
Effect of movements in exchange rates	1.9	0.7	0.5	0.3	3.4
Additions	0.3	3.2	1.1	1.7	6.3
Transfer between categories	7.7	1.0	0.5	(9.2)	-
Depreciation charge	(1.6)	(2.1)	(1.0)	-	(4.7)
Closing net book value	**168.6**	**41.9**	**14.0**	**8.9**	**233.4**
At 31 March 2022					
Cost	243.4	107.9	63.9	8.9	424.1
Accumulated depreciation	(74.8)	(66.0)	(49.9)	-	(190.7)
Net book value	**168.6**	**41.9**	**14.0**	**8.9**	**233.4**

	Land & buildings	Plant & machinery	Vehicles & equipment	Under con-struction	Total
At 1 January 2021					
Cost	204.4	91.6	56.9	4.5	357.4
Accumulated depreciation	(58.1)	(58.3)	(44.3)	-	(160.7)
Net book value	**146.3**	**33.3**	**12.6**	**4.5**	**196.7**
Year ended 31 December 2021					
Opening net book value	146.3	33.3	12.6	4.5	196.7
Divestments	(0.1)	(0.5)	(0.5)	0.0	(1.1)
Effect of movements in exchange rates	1.0	0.7	0.1	0.0	1.8
Additions	17.9	7.9	3.2	17.1	46.1
Business combinations, note 4	0.1	2.0	0.7	-	2.8
Transfer between categories	1.1	3.5	0.9	(5.5)	-
Depreciation charge	(6.0)	(7.6)	(4.0)	-	(17.6)
Closing net book value	**160.3**	**39.3**	**13.0**	**16.1**	**228.7**
At 31 December 2021					
Cost	233.0	103.9	61.4	16.1	414.4
Accumulated depreciation	(72.7)	(64.6)	(48.4)	-	(185.7)
Net book value	**160.3**	**39.3**	**13.0**	**16.1**	**228.7**

Depreciation of property, plant and equipment analyzes as follows in the Consolidated Statement of Income:

Depreciation of property, plant and equipment	YTD 2022	YTD 2021
Cost of sales	2.1	1.8
Selling and marketing expenses	0.2	0.2
General and administrative expenses	2.4	2.4
Research and development expenses	0.0	0.0
Total	**4.7**	**4.4**

13 Right of use assets

	Land & buildings	Plant & machinery	Vehicles & equipment	Total
At 1 January 2022				
Cost	39.5	1.8	27.7	69.0
Accumulated depreciation	(13.4)	(0.8)	(14.3)	(28.5)
Net book value	**26.1**	**1.0**	**13.4**	**40.5**
Three months ended 31 March 2022				
Opening net book value	26.1	1.0	13.4	40.5
Divestments	-	-	(0.5)	(0.5)
Effect of movements in exchange rates	0.7	0.0	0.2	0.9
Additions	0.2	-	2.5	2.7
Depreciation charge	(1.2)	(0.1)	(1.7)	(3.0)
Closing net book value	**25.8**	**0.9**	**13.9**	**40.6**
At 31 March 2022				
Cost	40.7	1.8	29.1	71.6
Accumulated depreciation	(14.9)	(0.9)	(15.2)	(31.0)
Net book value	**25.8**	**0.9**	**13.9**	**40.6**

	Land & buildings	Plant & machinery	Vehicles & equipment	Total
At 1 January 2021				
Cost	38.8	1.2	24.4	64.4
Accumulated depreciation	(9.3)	(0.7)	(11.7)	(21.7)
Net book value	**29.5**	**0.5**	**12.7**	**42.7**
Year ended 31 December 2021				
Opening net book value	29.5	0.5	12.7	42.7
Divestments[1]	(10.4)	(0.1)	(0.3)	(10.8)
Effect of movements in exchange rates	0.8	0.1	0.2	1.1
Business combinations, note 4	5.4	-	0.1	5.5
Additions	5.8	0.7	7.7	14.2
Depreciation charge	(5.0)	(0.2)	(7.0)	(12.2)
Closing net book value	**26.1**	**1.0**	**13.4**	**40.5**
At 31 December 2021				
Cost	39.5	1.8	27.7	69.0
Accumulated depreciation	(13.4)	(0.8)	(14.3)	(28.5)
Net book value	**26.1**	**1.0**	**13.4**	**40.5**

[1] Divestments in land & buildings in 2021 include the impact of reassessing remaining estimated lease terms.

For the annual maturity of the lease liabilities, refer to note 21.

Depreciation of right of use assets analyzes as follows in the Consolidated Statement of Income:

Depreciation of right of use assets	YTD 2022	YTD 2021
Cost of sales	0.9	0.8
Selling and marketing expenses	0.6	0.5
General and administrative expenses	1.4	1.3
Research and development expenses	0.1	0.1
Total	**3.0**	**2.7**

14 Goodwill

	31/03 2022	31/12 2021
At 1 January		
Cost	705.2	678.8
Net book value	**705.2**	**678.8**
Period ended 31 March / 31 December		
Opening net book value	705.2	678.8
Business combinations, note 4	-	25.7
Effect of movements in exchange rates	2.4	0.7
Closing net book value	**707.6**	**705.2**
At 31 March / 31 December		
Cost	707.6	705.2
Net book value	**707.6**	**705.2**

For 2021 business combinations relate to the acquisition of PMJ (increase in goodwill of EUR 6.7 million), Curio (increase in goodwill of EUR 3.7 million), Valka (increase in provisional goodwill of EUR 17.3 million) and TREIF (decrease in goodwill of EUR 2.0 million due to finalization of the PPA).

Impairment testing

The Group tested at the end of 2021 whether goodwill had suffered any impairment. The conclusion was there were no triggers indicating that impairment was necessary. At 31 March 2022, there is no reason to deviate from the conclusions taken at year end.

15 Intangible assets

	Technology & development costs	Customer relations, patents & trademarks	Other intangibles	Total
At 1 January 2022				
Cost	351.6	261.5	94.1	707.2
Accumulated amortization	(189.3)	(86.2)	(74.5)	(350.0)
Net book value	**162.3**	**175.3**	**19.6**	**357.2**
Three months ended 31 March 2022				
Opening net book value	162.3	175.3	19.6	357.2
Effect of movements in exchange rates	0.6	1.2	0.0	1.8
Additions	5.7	-	1.4	7.1
Amortization charge	(4.3)	(3.2)	(1.4)	(8.9)
Closing net book value	**164.3**	**173.3**	**19.6**	**357.2**
At 31 March 2022				
Cost	358.3	263.5	95.8	717.6
Accumulated amortization	(194.0)	(90.2)	(76.2)	(360.4)
Net book value	**164.3**	**173.3**	**19.6**	**357.2**

	Technology & development costs	Customer relations, patents & trademarks	Other intangibles	Total
At 1 January 2021				
Cost	313.3	233.5	89.7	636.5
Accumulated amortization	(166.5)	(72.1)	(66.9)	(305.5)
Net book value	**146.8**	**161.4**	**22.8**	**331.0**
Year ended 31 December 2021				
Opening net book value	146.8	161.4	22.8	331.0
Divestments	-	-	(0.9)	(0.9)
Business combinations, note 4	13.8	25.2	-	39.0
Effect of movements in exchange rates	1.1	1.0	0.0	2.1
Additions	19.5	-	5.3	24.8
Impairment charge	(0.6)	-	(0.1)	(0.7)
Amortization charge	(18.3)	(12.3)	(7.5)	(38.1)
Closing net book value	**162.3**	**175.3**	**19.6**	**357.2**
At 31 December 2021				
Cost	351.6	261.5	94.1	707.2
Accumulated amortization	(189.3)	(86.2)	(74.5)	(350.0)
Net book value	**162.3**	**175.3**	**19.6**	**357.2**

For 2021, business combinations relate to the acquisition of PMJ, Curio and Valka.

The additions for 2022 predominantly comprise internally generated assets of EUR 7.1 million (31 December 2021: EUR 24.8 million) for product development and for development of software products.

Amortization of intangible assets analyzes as follows in the Consolidated Statement of Income:

Amortization of intangible assets	**YTD 2022**	**YTD 2021**
Selling and marketing expenses	3.1	2.9
General and administrative expenses	1.5	2.5
Research and development expenses	4.3	4.7
Total	**8.9**	**10.1**

Impairment testing

The Group tested at the end of 2021 whether indefinite intangible assets had suffered any impairment. The conclusion was there were no triggers indicating that impairment was necessary. At 31 March 2022, there is no reason to deviate from the conclusions taken at year end.

16 Investments in associates

The investments in associates relate to a 40.0% stake in Stranda, a Norwegian provider of salmon processing solutions and a 25.3% interest in the Canadian software company Worximity Technology ("Worximity").

17 Trade receivables, other receivables and prepayments

Trade receivables, other receivables and prepayments	31/03 2022	31/12 2021
Trade receivables	182.9	156.1
Less: write-down to net-realizable value	(1.7)	(1.4)
Trade receivables - net	**181.2**	**154.7**
Prepayments	12.4	14.2
Other receivables	70.1	52.5
Other receivables and prepayments	**82.5**	**66.7**

The carrying amounts of trade receivables and other receivables and prepayments approximate their fair value.

There were no material reversals of write-downs of trade receivables. Due to the insignificant amount of write-downs, these are not shown separately in the Consolidated Statement of Income. The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations.

18 Deferred income tax

Deferred income taxes are calculated in full on temporary differences under the liability method.

The gross movement on the deferred income tax account is as follows:

Deferred income taxes	2022	2021
At 1 January	**(74.0)**	**(71.6)**
Exchange differences and changes within the Group	0.1	(0.5)
Consolidated Statement of Income charge (excluding tax rate change)	3.8	7.6
Effect of changes in tax rates	(0.3)	(1.4)
Business combinations, note 4	-	(8.3)
Recognized in other comprehensive income	(0.3)	0.2
At 31 March / 31 December	**(70.7)**	**(74.0)**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred income taxes recognized in the Consolidated Statement of Financial Position are as follows:

Deferred income taxes	31/03 2022	31/12 2021
Deferred income tax assets	18.9	18.1
Deferred income tax liabilities	(89.6)	(92.1)
Total	**(70.7)**	**(74.0)**

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The recoverability has been tested by the Group at the end of 2021. At 31 March 2022, there is no reason to deviate from the conclusions taken at year end.

19 Inventories

Inventories	31/03 2022	31/12 2021
Raw materials	53.6	54.6
Semi-finished goods	220.7	193.8
Finished goods	61.3	58.1
Gross inventories	**335.6**	**306.5**
Allowance for obsolescence and/or lower market value	(34.6)	(33.1)
Net inventories	**301.0**	**273.4**

There were no material reversals of write-downs to net realizable value. The write-downs recognized following a recoverability analysis are included in cost of sales.

20 Equity

Share capital	Ordinary shares (thousands)	Treasury shares (thousands)	Outstanding number of shares (thousands)
At 1 January 2022	**771,008**	**(15,263)**	**755,745**
Treasury shares - purchased	-	-	-
Treasury shares - sold	-	317	317
At 31 March 2022	**771,008**	**(14,946)**	**756,062**
	100.00%	1.94%	98.06%
At 1 January 2021	**771,008**	**(18,768)**	**752,240**
Treasury shares - purchased	-	-	-
Treasury shares - sold	-	3,505	3,505
At 31 December 2021	**771,008**	**(15,263)**	**755,745**
	100.00%	1.98%	98.02%

Class of share capital	31/03 2022	31/12 2021
Nominal value	6.7	6.7
Share premium reserve	442.8	443.0
Reserve for share based payments	8.1	7.3
Total share premium reserve	**450.9**	**450.3**

Share capital

The total authorized number of ordinary shares on the Nasdaq and Euronext exchanges is 771.0 million (31 December 2021: 771.0 million) with a par value of ISK 1 per share. All issued shares are fully paid.

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at shareholders meetings of the Company. Shareholders who hold shares in Marel on Nasdaq and Euronext have identical voting rights and the same rights to dividends. All rights attached to the Company's treasury shares are suspended until those shares are sold again.

Dividends

In March 2022, a dividend of EUR 38.7 million (EUR 5.12 cents per share) was declared and paid to the shareholders for the operational year 2021. This corresponds to approximately 40% of net result for the operational year 2021 (in 2021, a dividend of EUR 41.0 million (EUR 5.45 cents per share) was declared and paid for the operational year 2020).

Share premium reserve

The share premium reserve is comprised of payments in excess of par value of ISK 1 per share that shareholders have paid for shares sold by the Company, less payments in excess of par value that the Company has paid for treasury shares. According to the Icelandic Companies Act, 25% of the nominal value share capital must be held in reserve which cannot be paid out as dividend to shareholders. Marel is compliant with this requirement.

Other reserves

Other reserves in shareholder's equity include the following reserves:

- hedge reserve: comprises revaluations on derivatives, on which hedge accounting is applied. The value relates to derivatives for the Group, the interest rate swap contracts and the foreign exchange contracts; and
- translation reserve: comprises the translation results of the consolidation of subsidiaries reporting in foreign currencies, as well as a currency revaluation related to financing of subsidiaries.

Other reserves	Hedge reserve	Translation reserve	Total other reserves
Balance at 1 January 2022	**0.6**	**(22.7)**	**(22.1)**
Total other comprehensive income	0.9	5.6	6.5
Balance at 31 March 2022	**1.5**	**(17.1)**	**(15.6)**

Other reserves	Hedge reserve	Translation reserve	Total other reserves
Balance at 1 January 2021	**0.9**	**(28.4)**	**(27.5)**
Total other comprehensive income	(0.3)	5.7	5.4
Balance at 31 December 2021	**0.6**	**(22.7)**	**(22.1)**

Other equity

Other equity included the impact of the option to acquire the remaining shares of non-controlling interests. In Q1 2022, following the acquisition of the remaining shares of Curio ahead of the timing agreed in the put option, the non-current liability recorded for the option was released through other equity.

Limitation in the distribution of Shareholders' equity

As at 31 March 2022, pursuant to Icelandic law, certain limitations exist relating to the distribution of shareholders' equity. Such limitations relate to legal reserves required by Icelandic law included under retained earnings for capitalized intangible assets related to product development projects and for legal reserves relating to any legal or economic restrictions to the ability of affiliated companies to transfer funds to the parent company in the form of dividends.

The legal reserve included under retained earnings for capitalized intangible assets related to product development projects amounted to EUR 91.1 million as at 31 March 2022 (31 December 2021: EUR 88.1 million).

Since the profits retained in Marel hf.'s subsidiaries can be distributed and received in Iceland, no legal reserve for any legal or economic restrictions to the ability of affiliated companies to transfer funds to the parent company in the form of dividends is required.

The amount of the legal reserve for the share of profit of affiliates is reduced by dividends received from those companies and those dividends from them which can be claimed. Therefore Marel could, based on its control as the parent company, decide to let its subsidiaries pay dividends. The dividends would lower the amount of legal reserves within equity and therefore leave more room for Marel to make dividend payments to its shareholders. The provision of the Icelandic Financial Statement Act No. 3/2006 does not prevent Marel from making dividend payments to its shareholders as the Company has sufficient retained earnings from previous years.

The legal reserves as required by Icelandic law are required as of effective date 1 January 2016.

Non-controlling Interests

Non-controlling interests relate to minority shares held by third parties in consolidated Group companies. The net result attributable to NCI amounted to EUR 0.0 million for the three-month period ended 31 March 2022 (31 March 2021: EUR 0.0 million).

The NCI relates to MPS France S.A.R.L., France, in which the managing director of MPS France holds an ownership percentage of 24.0%.

21 Borrowings and lease liabilities

Borrowings and lease liabilities	31/03 2022	31/12 2021
Borrowings	260.1	234.9
Lease liabilities	31.4	30.9
Non-current	**291.5**	**265.8**
Borrowings	0.0	0.0
Lease liabilities	10.2	10.5
Current	**10.2**	**10.5**
Total	**301.7**	**276.3**
Borrowings	260.1	234.9
Lease liabilities	41.6	41.4
Total	**301.7**	**276.3**

The Group loan agreements contain restrictive covenants, relating to interest cover and leverage. At 31 March 2022 and 31 December 2021 the Group complies with all restrictive covenants.

The Group has the following headroom in committed facilities:

Available headroom	31/03 2022	31/12 2021
Expiring within one year	-	-
Expiring beyond one year	558.5	589.4
Total	**558.5**	**589.4**

Liabilities in currency recorded in EUR at 31 March 2022	Borrowings	Capitalized finance charges	Lease liabilities	Total
Liabilities in EUR	261.5	(1.1)	14.8	275.2
Liabilities in USD	-	(0.3)	8.7	8.4
Liabilities in other currencies	-	-	18.1	18.1
Total	**261.5**	**(1.4)**	**41.6**	**301.7**
Current maturities	(0.7)	0.7	(10.2)	(10.2)
Non-current maturities	**260.8**	**(0.7)**	**31.4**	**291.5**

Liabilities in currency recorded in EUR at 31 December 2021	Borrowings	Capitalized finance charges	Lease liabilities	Total
Liabilities in EUR	236.5	(1.3)	17.3	252.5
Liabilities in USD	-	(0.3)	6.3	6.0
Liabilities in other currencies	-	-	17.8	17.8
Total	**236.5**	**(1.6)**	**41.4**	**276.3**
Current maturities	(0.7)	0.7	(10.5)	(10.5)
Non-current maturities	**235.8**	**(0.9)**	**30.9**	**265.8**

Annual maturity of non-current borrowings at 31 March 2022	Borrowings	Capitalized finance charges	Lease liabilities	Total
Between 1 and 2 years	121.0	(0.7)	11.1	131.4
Between 2 and 3 years	-	-	6.0	6.0
Between 3 and 4 years	138.5	-	4.3	142.8
Between 4 and 5 years	-	-	4.3	4.3
After 5 years	1.3	-	5.7	7.0
Total	**260.8**	**(0.7)**	**31.4**	**291.5**

Annual maturity of non-current borrowings at 31 December 2021	Borrowings	Capitalized finance charges	Lease liabilities	Total
Between 1 and 2 years	120.8	(0.8)	10.7	130.7
Between 2 and 3 years	-	(0.1)	6.0	5.9
Between 3 and 4 years	113.5	-	4.1	117.6
Between 4 and 5 years	0.2	-	4.2	4.4
After 5 years	1.3	-	5.9	7.2
Total	**235.8**	**(0.9)**	**30.9**	**265.8**

22 Provisions

	Guarantee commitments	Pension commitments	Other provisions	Total
Balance at 1 January 2022	**6.6**	**3.4**	**3.5**	**13.5**
Additions	0.7	0.2	0.4	1.3
Effect of movements in exchange rates	0.2	0.0	0.0	0.2
Used	(0.2)	-	(0.5)	(0.7)
Release	-	-	(0.2)	(0.2)
Balance at 31 March 2022	**7.3**	**3.6**	**3.2**	**14.1**

	Guarantee commitments	Pension commitments	Other provisions	Total
Balance at 1 January 2021	**6.1**	**3.9**	**4.6**	**14.6**
Additions	2.4	0.2	6.2	8.8
Business combinations, note 4	-	-	0.5	0.5
Effect of movements in exchange rates	0.2	0.3	0.0	0.5
Used	(1.3)	(0.3)	(7.5)	(9.1)
Release	(0.8)	(0.7)	(0.3)	(1.8)
Balance at 31 December 2021	**6.6**	**3.4**	**3.5**	**13.5**

Analysis of provisions	31/03 2022	31/12 2021
Non-current	3.7	4.0
Current	10.4	9.5
Total	**14.1**	**13.5**

23 Trade and other payables

Trade and other payables	31/03 2022	31/12 2021
Trade payables	110.7	117.1
Accruals	14.5	11.0
Personnel payables	83.7	65.5
Other payables	83.1	88.5
Total	**292.0**	**282.1**
Less non-current portion	(9.1)	(22.7)
Current portion of trade and other payables	**282.9**	**259.4**

24 Financial instruments and risks

Risk management framework

The main financial risks faced by Marel relate to market risk, credit risk and liquidity risk. Risk management is carried out by a central treasury department (Group Treasury) under policies and with instruments approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures and does not enter into financial contracts for speculative purposes.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments. Market risk comprises (a) foreign exchange risk and (b) interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Foreign exchange risk

The Group operates internationally and is exposed to currency risk arising from mainly the USD, GBP, ISK and BRL, primarily with respect to the EUR, as the EUR is the Group's reporting currency. Financial exposure is hedged in accordance with the Group's general policy and within set limits. The Group monitors foreign exchange risk arising from commercial transactions, recognized assets and liabilities (transaction risk) that are determined in a currency other than the entity's functional currency. Derivative hedging is applied if the exposure is outside of the risk tolerance band on a consolidated basis. Generally Marel maintains a good natural hedge in its operations with a good match between revenues and costs in most currencies although less than 1% of revenues are denominated in ISK, while around 7% of costs are in ISK. In line with Marel's risk management policy, the Group started to hedge up to 80% of its estimated foreign currency exposure in ISK relating to forecasted transactions over the following 12 months. No other currency exposure is hedged.

(b) Interest rate risk

The Group is exposed to interest rate risk on borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The risk is managed by maintaining a mix between fixed and floating interest rates on borrowings.

Generally the Group raises long term borrowings and pays a floating interest rate. To hedge the resulting cash flow interest rate risk the Group uses interest rate swaps, where it pays a fixed interest rate and receives a floating interest rate. The floating rates are fixed on a quarterly or semi-annual basis. The Group adopts a policy of ensuring that between 50 – 70% of its exposure to changes in interest rates on core debt is hedged with an interest rate swap with a maximum maturity of 5 years.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The credit quality of the customer is assessed, taking into account its financial position, past experience and other factors. Each customer has a set credit limit and the utilization of the credit limit is regularly monitored.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and products are not delivered until payments are secured. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. No significant credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by its customers).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and committed credit facilities to give reasonable operating headroom. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by maintaining availability under committed credit lines.

The Group has EUR 700.0 million of committed facilities, which can be used both as a revolver and to issue guarantees for down payments. As per 31 March 2022, the Group had drawn EUR 120.0 million on the syndicated revolving credit facility (31 December 2021: EUR 95.0 million), and issued guarantees for EUR 21.5 million (31 December 2021: EUR 15.6 million), therefore the total usage is EUR 141.5 million (31 December 2021: EUR 110.6 million), leaving a headroom of EUR 558.5 million (31 December 2021: EUR 589.4 million). All facilities are subject to operational and Consolidated Statement of Financial Position covenants (interest cover and leverage). At 31 March 2022 there is sufficient headroom.

At 31 March 2022, net cash and cash equivalents were EUR 63.6 million (31 December 2021: EUR 77.1 million).

25 Contingencies

Contingent liabilities

At 31 March 2022 the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business the Group has given guarantees amounting to EUR 44.5 million (31 December 2021: EUR 33.8 million) to third parties.

Legal proceedings

As part of doing business and acquisitions the Group is involved in claims and litigations, under such indemnities and guarantees. These claims are pending and all are contested. Provisions are recognized when an outflow of economic benefits for settlement is probable and the amount can be estimated reliably. It should be understood that, in light of possible future developments, such as (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs.

At this point in time, we cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialize, they are often resolved over a number of years and the timing of such payments cannot be predicted with confidence. While the outcome of said cases, claims and disputes cannot be predicted with certainty, we believe, based upon legal advice and information received, that the final outcome will not materially affect our consolidated financial position but could be material to our results of operations or cash flows in any one accounting period.

Environmental remediation

The Company and its subsidiaries are subject to environmental laws and regulations. Under these laws, the Company and/or its subsidiaries may be required to remediate the effects of certain incidents on the environment.

26 Related party transactions

At 31 March 2022 and 31 December 2021 there are no loans to the members of the Board of Directors and the CEO. In addition, there were no transactions carried out (purchases of goods and services) between the Group and members of the Board of Directors nor the CEO in the three-month period ended 31 March 2022 and the year 2021.

27 Subsequent events

Acquisition of Sleegers

On 22 April 2022, Marel announced the acquisition of the entire share capital of Sleegers Techniek B.V. ("Sleegers"). Sleegers is a Dutch provider of interleaving, stacking, loading, and slicing solutions for food processers globally. Sleegers was founded in 1993, has 27 FTEs and around EUR 5.0 million in annual revenues. The joint offering by the two companies will strengthen Marel's position in the case-ready and prepared foods segments. The purchase consideration was paid with EUR 12.9 million in cash.

In accordance with IFRS 3, business combinations, the purchase price of Sleegers will be allocated to identifiable assets and liabilities acquired. Due to the short timeframe between closing of the acquisition and issuance of the Condensed Consolidated Interim Financial Statements, this has not been completed and as such the allocation of the purchase price to acquired assets and liabilities assumed is not disclosed.

Acquisition of Wenger

On 27 April 2022, Marel announced it has entered into an agreement to acquire Wenger Manufacturing LLC ("Wenger"), a global leader in processing solutions focused on pet food, plant based proteins and aqua feed. Founded in 1935, Wenger is a family-owned business headquartered in Sabetha, Kansas, USA, has around 500 employees and around USD 190.0 million in annual revenues.

The acquisition of Wenger is a platform investment into new and attractive growth markets for Marel and will form the fourth business segment alongside poultry, meat and fish. The two companies have a great strategic and cultural fit with highly complementary product portfolios and geographic presence, creating a strong platform to enhance further growth. Wenger shares Marel's passion for innovation and commitment to best-in-class products, backed by an experienced team and long-standing partnerships with customers. The acquisition is fully in line with Marel's growth strategy and increased focus on adjacent markets.

Marel has agreed to acquire the entire share capital of Wenger, including all relevant business activities of the group. The total investment for the acquisition is USD 540.0 million, of which USD 530.0 million is the purchase price on a cash and debt-free basis (enterprise value). The remaining USD 10 million is a combination of a contribution to a not-for-profit private foundation, to continue the legacy of Wenger and its meaningful impact on the community, as well as Marel shares for Wenger employees. The purchase price will be paid with cash at hand and existing credit facilities. Discussion with selling shareholders regarding partial consideration in Marel shares is ongoing and will be concluded prior to closing.The transaction will result in expected tax benefits of USD 60-70 million. The closing of the acquisition is subject to customary closing conditions, including anti-trust and approval of Wenger's shareholders.

In relation to the Wenger acquisition, Marel has signed a new EUR 150.0 million multi-currency bridge facility in order to provide operational headroom. The facility is provided by BNP PARIBAS SA/NV and has up to a 2-year term. The facility is largely based on the existing syndicated revolving facility and has an initial interest rate of EURIBOR/SOFR + 50 bps margin. The bridge facility is expected to be replaced by long term structural funding during 2022. The facility was signed on 27 April 2022; closing and utilization is subject to standard conditions precedent.

No other significant events have taken place since the reporting date, 31 March 2022.

Appendices

1 Quarterly results

	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Revenues	371.6	367.4	331.9	327.5	334.0
Cost of sales	(237.9)	(235.8)	(209.0)	(210.0)	(212.2)
Gross profit	**133.7**	**131.6**	**122.9**	**117.5**	**121.8**
Selling and marketing expenses	(54.1)	(48.3)	(47.2)	(42.3)	(42.6)
General and administrative expenses	(30.5)	(26.0)	(22.9)	(20.4)	(26.9)
Research and development expenses	(24.1)	(21.5)	(21.4)	(21.8)	(22.2)
Result from operations (EBIT)	**25.0**	**35.8**	**31.4**	**33.0**	**30.1**
Net finance costs	3.4	(0.3)	(2.1)	(1.9)	(4.4)
Share of result of associates	(0.8)	(0.4)	0.0	(0.4)	(0.1)
Result before income tax	**27.6**	**35.1**	**29.3**	**30.7**	**25.6**
Income tax	(5.9)	(6.6)	(6.1)	(7.4)	(4.4)
Net result for the period	**21.7**	**28.5**	**23.2**	**23.3**	**21.2**
Result before depreciation & amortization (EBITDA)	**41.6**	**53.8**	**48.0**	**49.8**	**47.3**

The below table provides an overview of the quarterly adjusted result from operations, which management believes to be a relevant Non-IFRS measurement, as mentioned in note 5.

	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Revenues	371.6	367.4	331.9	327.5	334.0
Cost of sales	(237.6)	(235.5)	(208.7)	(208.9)	(209.6)
Gross profit	**134.0**	**131.9**	**123.2**	**118.6**	**124.4**
Selling and marketing expenses	(51.3)	(45.6)	(44.6)	(39.8)	(40.0)
General and administrative expenses	(28.6)	(25.0)	(22.8)	(20.2)	(25.7)
Research and development expenses	(22.8)	(20.3)	(19.8)	(20.0)	(20.7)
Adjusted result from operations[1]	**31.3**	**41.0**	**36.0**	**38.6**	**38.0**
Non-IFRS adjustments	(6.3)	(5.2)	(4.6)	(5.6)	(7.9)
Result from operations (EBIT)	**25.0**	**35.8**	**31.4**	**33.0**	**30.1**

1 Result from operations is adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses.

2 Definitions and abbreviations

EBIT

Earnings before interest and tax

EBITDA

Earnings before interest, tax, depreciation and amortization

EURIBOR

Euro interbank offered rates

IAS

International Accounting Standards

IFRS

International Financial Reporting Standards

NCI

Non-controlling interest

PPA

Purchase Price Allocation

SOFR

Secured Overnight Financing Rate