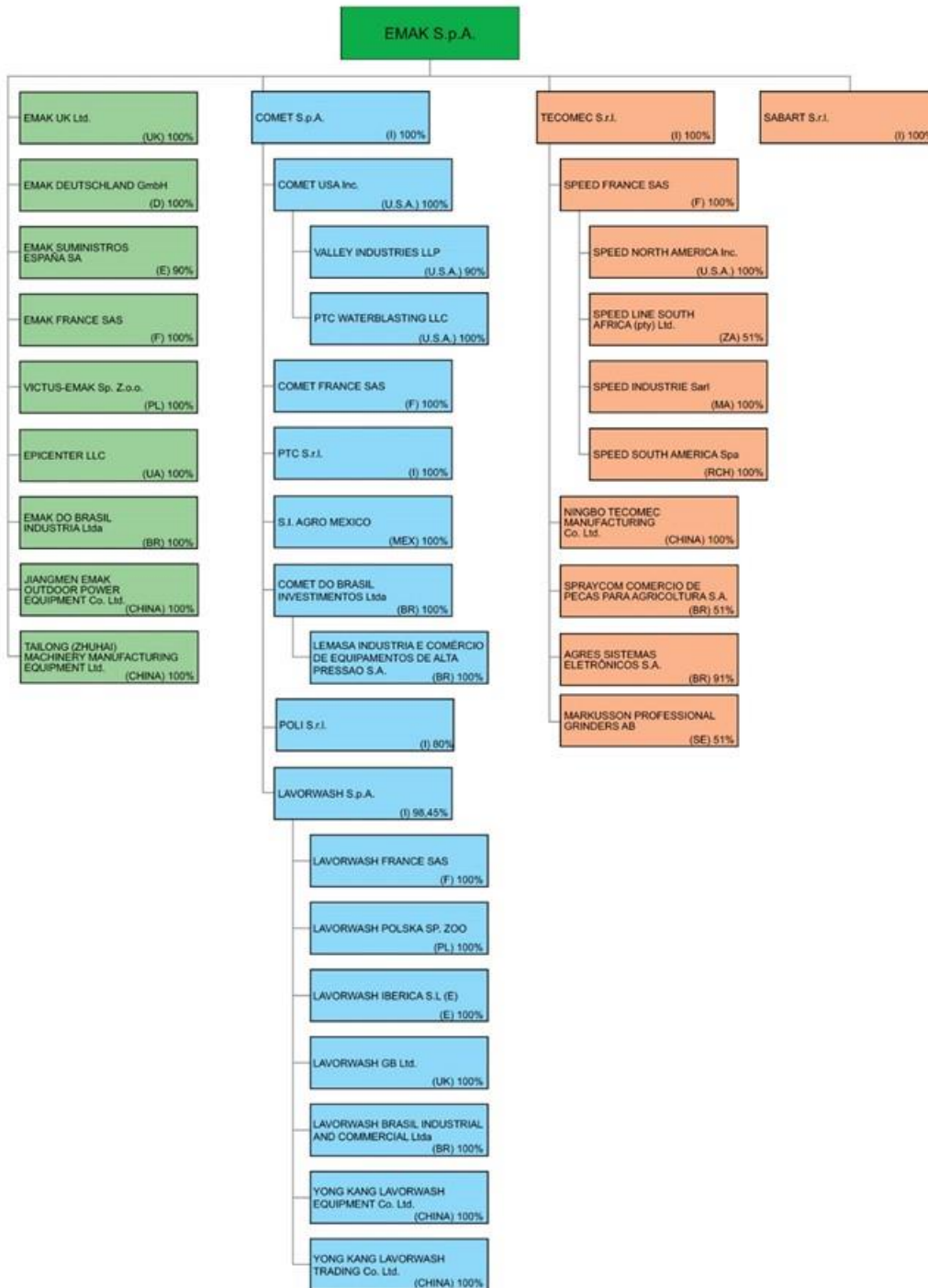


Interim report at 31.03.2022

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Organizational chart of Emak Group



1. Valley Industries LLP is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 10%.
2. Comet do Brasil Investimentos Ltda is owned for 99.63% by Comet S.p.A. and 0.37% by P.T.C. S.r.l.
3. Emak do Brasil is owned for 99.98% by Emak S.p.A. and 0.02% by Comet do Brasil.
4. Lavorwash Brasil Ind. Ltda is owned for 99.99% by Lavorwash S.p.A. and 0.01% by Comet do Brasil LTDA.
5. S.I.Agro Mexico is owned for 97% by Comet S.p.A. and 3% by P.T.C. S.r.l.
6. Markusson Professional Grinders AB is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 49%.
7. Agres Sistemas Eletrônicos S.A. is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 9%.
8. Poli S.r.l. is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 20%.
9. The companies Emak Deutschland GmbH and Speed Industrie Sarl have ceased their operational activities.

Corporate Bodies of Emak S.p.A

The Ordinary General Meeting of the Shareholders of the Parent Company, Emak S.p.A. on 29 April 2022 appointed the Board of Directors and the Board of Statutory Auditors for the financial years 2022-2024.

Board of Directors

Non-executive Chairman

Massimo Livatino

Deputy Chairman and Chief Executive Officer

Luigi Bartoli

Executive Director

Cristian Becchi

Independent Directors

Silvia Grappi

Elena Iotti

Alessandra Lanza

Directors

Francesca Baldi

Ariello Bartoli

Paola Becchi

Giuliano Ferrari

Marzia Salsapariglia

Vilmo Spaggiari

Paolo Zambelli

Secretary of the Board of Directors

Paolo Messarra

Risk Control and Sustainability Committee; Remuneration Committee, Related Party Transactions Committee, Nomination Committee

Chairman

Elena Iotti

Components

Alessandra Lanza

Silvia Grappi

Financial Reporting Officer

Roberto Bertuzzi

Supervisory Body as per Legislative Decree 231/01

Chairman

Sara Mandelli

Acting member

Marianna Grazioli

Board of Statutory Auditors

Chairman

Stefano Montanari

Acting auditors

Roberta Labanti

Livio Pasquetti

Alternate auditor

Rossana Rinaldi

Giovanni Liberatore

Independent Auditor

Deloitte & Touche S.p.A.

Main economic and financial figures for Emak Group

Income statement (€/000)

Year 2021		1Q 2022	1Q 2021
588,299	Revenues from sales	190,247	162,881
77,436	EBITDA before non ordinary income/expenses (*)	27,339	26,375
77,296	EBITDA (*)	27,339	26,917
52,904	EBIT	21,067	21,169
33,111	Net profit	16,852	15,280

Investment and free cash flow (€/000)

Year 2021		1Q 2022	1Q 2021
13,338	Investment in property, plant and equipment	3,016	3,072
4,223	Investment in intangible assets	836	920
57,503	Free cash flow from operations (*)	23,124	21,028

Statement of financial position (€/000)

31.12.2021		31.03.2022	31.03.2021
400,202	Net capital employed (*)	472,463	388,233
(144,269)	Net debt (*)	(192,890)	(148,397)
255,933	Total equity	279,573	239,836

Other statistics

Year 2021		1Q 2022	1Q 2021
13.1%	EBITDA / Net sales (%)	14.4%	16.5%
9.0%	EBIT / Net sales (%)	11.1%	13.0%
5.6%	Net profit / Net sales (%)	8.9%	9.4%
13.2%	EBIT / Net capital employed (%)	4.5%	5.5%
0.56	Net debt / Equity	0.69	0.62
2,225	Number of employees at period end	2,275	2,171

Share information

Year 2021		1Q 2022	1Q 2021
0.199	Earnings per share (€)	0.102	0.093
2.12	Official price (€)	1.41	1.32
2.28	Maximum share price in period (€)	2.13	1.35
1.08	Minimum share price in period (€)	1.41	1.08
348	Stockmarket capitalization (€ / million)	231	216
163,934,835	Number of shares comprising share capital	163,934,835	163,934,835
163,537,602	Average number of outstanding shares	163,537,602	163,537,602

(*) See section "Definitions of alternative performance indicators"

Directors' report

Information about Russia-Ukraine conflict

The military aggression of the Ukrainian territory by the Russian army starting in February is creating repercussions at an international level, both in terms of financial market trends and commodity prices.

As for Ukraine, the Group operates on this market mainly through the commercial branch, 100% controlled by Emak S.p.A. This company has a staff of 24 people and in 2021 recorded a turnover of € 4.2 million with a profit for the year of approximately € 500 thousand.

The value of the investment recorded by the parent company Emak S.p.A. in the company Epicenter, located in Kiev, is equal to approximately € 1.7 million, to date no goodwill on this CGU is recorded in the consolidated financial statements of the Group. The subsidiary has total assets of a equivalent € 3.3 million at March 31, 2022.

The subsidiary operating in Ukraine, since the beginning of the war, has adopted measures aimed at securing its employees and the goods in stock, while ensuring business continuity and recording a turnover in the first three months of 2022 of approximately € 870 thousand, higher than the € 650 thousand recorded at March 31, 2021.

On an annual basis, in 2021, the Group's sales were equal to € 5.2 million on the Ukrainian market and € 11.1 million on the Russian and Belarusian market.

Consolidated revenues for the 2022 quarter on the Ukrainian market amounted to € 1.3 million, compared to € 1 million in the same period of the previous year.

The Group's turnover in the first quarter of 2022 on the Russian and Belarusian markets amounted to € 2.1 million (compared to € 3.3 million in the same period of last year) and the exposure to customers on these markets amounts to approximately € 1.7 million at the end of March 2022; the related commercial risk is partially covered by an insurance policy.

There are no particular critical issues related to the conflict in relation to the procurement of raw materials. The geopolitical context of reference remains today characterized by significant uncertainties, therefore the situation is continuously monitored by the company management which maintains a strong supervision in particular on the exposure of the affected markets, on the supply chain and on financial flows.

Scope of consolidation

Compared to 31 December 2021 there are no changes in the area; with reference to 31 March 2021 the company Poli S.r.l. joined the consolidation area.

Comments on economic figures

Revenues from sales

Emak Group achieved a consolidated turnover of € 190,247 thousand in the first quarter of 2022, compared to € 162,881 thousand of the same period last year, a 16.8% increase. This increase is due to the organic growth for 14.5%, from the effect of translation changes for 1.6% and from change in the scope of consolidation for 0.7%.

The growth trend already recorded in recent years is confirmed in all segments in which the Group operates, mainly concentrated in the Europe area.

EBITDA

EBITDA for the first quarter 2022 amounts to € 27,339 thousand (14.4% of sales), compared to € 26,917 thousand (16.5% of sales) for the corresponding quarter of the previous year.

Ebitda before non-ordinary expenses and revenues is unchanged and amounts to € 27,339 thousand in the first quarter 2022 (14.4% of revenues) compared to € 26,375 thousand in the first quarter 2021 (16.2% of revenues) including non-ordinary revenues for € 608 thousand and non-ordinary expenses for € 66 thousand.

The application of the IFRS 16 principle has resulted in a positive effect on the EBITDA for € 1,772 thousand, against to € 1,598 thousand in the first quarter of 2021.

EBITDA for the quarter benefited from the increase in sales volumes and the change in the consolidation area while it was penalized by the increase in the costs of raw materials, energy costs, transports and other operating costs functional to the development of the business, partially offset by the increase in the price lists.

Personnel costs increased compared to the same period by € 2,344 thousand, mainly due to the greater use of workforce to cope with higher production volumes, and the change in the scope of consolidation. The average number of resources employed by the Group, also considering temporary workers employed in the period, was 2,573 units, compared to 2,424 units in the first quarter of 2021.

Operating result

Operating result for the first quarter 2022 is € 21,067 thousand with an incidence of 11.1% of revenues, compared to € 21,169 thousand (13% of sales) for the corresponding quarter of the previous year.

Depreciation and amortization are € 6,272 thousand, compared to € 5,748 thousand in the same period last year.

Non-annualized operating result as a percentage of net capital employed is 4.5% compared to 5.5% in the same period last year.

Net result

Net result for the first quarter 2022 is € 16,852 thousand, against € 15,280 thousand in the same period 2021.

Not realized income on valuation of derivatives for hedging interest rate risk has led a significant increase of “financial income” item.

Currency management in the first quarter 2022 is positive for € 2,108 thousand against a positive balance of € 375 thousand for the same period of the last year. The result mainly benefited from the revaluation of the Brazilian Reais which had a positive effect on the valuation of some debt items.

The tax rate for the first quarter of 2022 stands at 26.7%, an increase compared to the 24.9% of the same period of 2021, mainly due to a different geographical breakdown of taxable income.

Comment to consolidated statement of financial position

31.12.2021	Thousand of Euro	31.03.2022	31.03.2021
202,117	Net non-current assets (*)	205,121	183,804
198,085	Net working capital (*)	267,342	204,429
400,202	Total net capital employed (*)	472,463	388,233
253,183	Equity attributable to the Group	276,346	237,520
2,750	Equity attributable to non controlling interests	3,227	2,316
(144,269)	Net debt (*)	(192,890)	(148,397)

(*) See section "Definitions of alternative performance indicators"

Net non current assets

During first quarter 2022 Emak Group invested € 3,852 thousand in property, plant and equipment and intangible assets, as follows:

- € 1,077 thousand for innovation, improvement and technological adaptation of products;
- € 1,470 thousand for adjustment of production capacity and for process innovation;
- € 436 thousand for upgrading the computer network system;
- € 532 thousand for modernization of industrial buildings;
- € 337 thousand for other investments in operating activities.

Investments broken down by geographical area are as follows:

- € 2,430 thousand in Italy;
- € 502 thousand in Europe;
- € 569 thousand in the Americas;
- € 351 thousand in Asia, Africa and Oceania.

Net working capital

Net working capital, compared to 31 December 2021, increases by € 69,257 thousand, from € 198,085 thousand to € 267,342 thousand.

The following table shows the change in net working capital at 31 March 2022 compared with the same period last year:

€/000	3M 2022	3M 2021
Opening Net working capital	198,085	165,655
Increase/(decrease) in inventories	13,229	(243)
Increase/(decrease) in trade receivables	63,025	51,561
(Increase)/decrease in trade payables	(3,064)	(4,132)
Other changes	(3,933)	(8,412)
Closing Net working capital	267,342	204,429

The trend in net working capital as of March 31, 2022 is consistent with the seasonality of the business and the active management of inventories by the Group.

The significant increase in inventories was necessary to counteract the criticalities in the supply chain and the consequent increase in delivery times. Trade receivables are increasing following the growth in turnover.

Net financial position

Net negative financial position amounts to € 192,890 thousand at 31 March 2022 compared to € 144,269 thousand at 31 December 2021.

Below are the movements in net debt for the first three months of 2022 compared with the same period last year:

€/000	3M 2022	3M 2021
Opening NFP	(144,269)	(126,552)
Ebitda	27,339	26,917
Financial income and expenses	(199)	(1,199)
Exchange gains and losses	2,108	375
Income taxes	(6,124)	(5,065)
Cash flow from operations, excluding changes in operating assets and liabilities	23,124	21,028
Changes in operating assets and liabilities	(63,696)	(38,889)
Cash flow from operations	(40,572)	(17,861)
Changes in investments and disinvestments	(3,607)	(3,860)
Changes rights of use IFRS 16	(1,069)	(1,363)
Other equity changes	-	-
Changes from exchange rates and translation reserve	(3,373)	1,239
Closing NFP	(192,890)	(148,397)

Cash flow from operations net of taxes amounted to € 23,124 thousand, compared to € 21,028 thousand for the same period in 2021.

Cash flow from operations is negative for € 40,572 thousand compared to € 17,861 thousand in the same period of the previous year, consequently to a significant increase in net working capital.

Details of the net financial position is analyzed as follows:

(€/000)	31.03.2022	31.12.2021	31.03.2021
A. Cash	46,157	79,645	81,555
B. Cash equivalents	-	-	-
C. Other current financial assets	1,595	358	1,666
D. Liquidity funds (A+B+C)	47,752	80,003	83,221
E. Current financial debt	(33,684)	(19,938)	(25,229)
F. Current portion of non-current financial debt	(56,865)	(56,213)	(60,112)
G. Current financial indebtedness (E + F)	(90,549)	(76,151)	(85,341)
H. Net current financial indebtedness (G - D)	(42,797)	3,852	(2,120)
I. Non-current financial debt	(151,117)	(149,105)	(147,126)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I + J + K)	(151,117)	(149,105)	(147,126)
M. Total financial indebtedness (H + L) (ESMA)	(193,914)	(145,253)	(149,246)
N. Non current financial receivables	1,024	984	849
O. Net financial position (M-N)	(192,890)	(144,269)	(148,397)
Effect IFRS 16	39,112	38,974	28,935
Net financial position without effect IFRS 16	(153,778)	(105,295)	(119,462)

Net financial position at 31 March 2022 includes actualized financial liabilities related to the payment of future rental and rent payments, in application of IFRS 16 standard, equal to overall € 39,112 thousand, of which € 6,078 thousand falling due within 12 months while at 31 December 2021 they amounted to a total of € 38,974 thousand, of which € 5,863 thousand falling due within 12 months.

Current financial indebtedness mainly consist of:

- account payables and self-liquidating accounts;
- loan repayments falling due by 31 March 2023;
- amounts due to other providers of finance falling due by 31 March 2023;
- debt for equity investments in the amount of € 2,634 thousand.

Financial liabilities for the purchase of the remaining minority shares and for the settlement of purchase transactions with deferred price subject to contractual restrictions are equal to € 11,401 thousand, of which € 8,767 thousand in the medium to long term, related to the following companies:

- Agres for € 3,893 thousand;
- Markusson for € 3,278 thousand;
- Valley LLP for € 2,234 thousand;
- Poli S.r.l. for € 1,996 thousand.

Equity

Total equity is equal to € 279,573 thousand against € 255,933 thousand at 31 December 2021. Earnings per share at 31 March 2022 is equal to € 0.102 compared to € 0.093 in the same period of the previous year.

On 31 December 2021 the company held 397,233 treasury shares in portfolio number (equal to 0.2% of share capital) for the equivalent of € 2,029 thousand.

From 1 January 2022 to 31 March 2022 Emak S.p.A. did not buy or sell treasury shares, for which the quantity in stock and value are unchanged from December 31, 2021.

Highlights of the consolidated financial statement broken down by operating segment for the first quarter 2022

	OUTDOOR POWER EQUIPMENT		PUMPS AND HIGH PRESSURE WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
€/000										
Sales to third parties	74,857	57,118	70,073	63,172	45,317	42,591			190,247	162,881
Intersegment sales	93	77	901	669	3,351	2,916	(4,345)	(3,662)		
Revenues from sales	74,950	57,195	70,974	63,841	48,668	45,507	(4,345)	(3,662)	190,247	162,881
Ebitda	6,967	6,024	11,440	11,477	9,702	10,304	(770)	(888)	27,339	26,917
Ebitda/Total Revenues %	9.3%	10.5%	16.1%	18.0%	19.9%	22.6%			14.4%	16.5%
Ebitda before non ordinary expenses	6,967	6,024	11,440	10,869	9,702	10,370	(770)	(888)	27,339	26,375
Ebitda before non ordinary expenses/Total Revenues %	9.3%	10.5%	16.1%	17.0%	19.9%	22.8%			14.4%	16.2%
Operating result	4,892	4,015	9,390	9,639	7,555	8,403	(770)	(888)	21,067	21,169
Operating result/Total Revenues %	6.5%	7.0%	13.2%	15.1%	15.5%	18.5%			11.1%	13.0%
Net financial expenses (1)									1,909	(824)
Profit before taxes									22,976	20,345
Income taxes									(6,124)	(5,065)
Net profit									16,852	15,280
Net profit/Total Revenues %									8.9%	9.4%
(1) Net financial expenses includes the amount of Financial income and expenses, Exchange gains and losses and the amount of the Income from equity investment										
STATEMENT OF FINANCIAL POSITION	31.03.2022	31.12.2021	31.03.2022	31.12.2021	31.03.2022	31.12.2021	31.03.2022	31.12.2021	31.03.2022	31.12.2021
Net debt	39,040	6,778	105,114	96,092	48,845	41,399	(109)	0	192,890	144,269
Shareholders' Equity	191,104	186,501	94,540	83,830	71,926	63,454	(77,997)	(77,852)	279,573	255,933
Total Shareholders' Equity and Net debt	230,144	193,279	199,654	179,922	120,771	104,853	(78,106)	(77,852)	472,463	400,202
Net non-current assets (2)	127,924	128,424	97,335	95,854	55,213	53,233	(75,351)	(75,394)	205,121	202,117
Net working capital	102,220	64,855	102,319	84,068	65,558	51,620	(2,755)	(2,458)	267,342	198,085
Total net capital employed	230,144	193,279	199,654	179,922	120,771	104,853	(78,106)	(77,852)	472,463	400,202
(2) The net non-current assets of the Outdoor Power Equipment area includes the amount of Equity investments for 76,074 thousand Euro										
OTHER STATISTICS	31.03.2022	31.12.2021	31.03.2022	31.12.2021	31.03.2022	31.12.2021	31.03.2022	31.12.2021	31.03.2022	31.12.2021
Number of employees at period end	750	758	867	837	649	622	9	8	2,275	2,225
OTHER INFORMATIONS	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Amortization, depreciation and impairment losses	2,075	2,009	2,050	1,838	2,147	1,901			6,272	5,748
Investment in property, plant and equipment and in intangible assets	980	1,171	931	824	1,941	1,997			3,852	3,992

(*) See section "Definitions of alternative performance indicators"

Comments on interim results by operating segment

The table below shows the breakdown of "sales to third parties" in the first three months in 2022 by business sector and geographic area, compared with the same period last year.

	OUTDOOR POWER EQUIPMENT			PUMPS AND HIGH PRESSURE WATER JETTING			COMPONENTS AND ACCESSORIES			CONSOLIDATED		
	1Q 2022	1Q 2021	Var. %	1Q 2022	1Q 2021	Var. %	1Q 2022	1Q 2021	Var. %	1Q 2022	1Q 2021	Var. %
Europe	65,074	50,077	29.9%	38,039	34,007	11.9%	25,740	23,859	7.9%	128,853	107,943	19.4%
Americas	2,548	2,388	6.7%	23,256	21,007	10.7%	13,601	13,100	3.8%	39,405	36,495	8.0%
Asia, Africa and Oceania	7,235	4,653	55.5%	8,778	8,158	7.6%	5,976	5,632	6.1%	21,989	18,443	19.2%
Total	74,857	57,118	31.1%	70,073	63,172	10.9%	45,317	42,591	6.4%	190,247	162,881	16.8%

Outdoor Power Equipment

Revenues of the segment are up by 31.1% compared to the same period.

There was a generalized increase in turnover in Europe, with particular reference to the Italian, French and Polish markets, while sales on the Russian market were down.

In the Americas area, sales grew slightly with reference to the North American market, while in the main markets of South America they were substantially in line with the same period.

Sales growth in Asia, Africa and Oceania was concentrated in Turkey, the Far East and China.

EBITDA, equal to € 6,967 thousand, increased compared to March 31, 2021, due to the increase in sales volumes, while the commercial policies of price rise have partially offset the increase in transport costs, raw materials and other operating costs.

Net negative financial position of € 39,040 thousand, consistent with the seasonality of the business, increasing compared to 31 December 2021, mainly due to the increase in net working capital due to the strong growth in revenues in the quarter.

Pompe e High Pressure Water Jetting

Sales of the segment are up 10.9% compared to the same period of 2021.

In Europe, growth was driven by the Italian and French markets, together with the contribution of the change in the scope of consolidation. Sales through the online channel were down slightly.

In the Americas area, the good sales performance is attributable to the good performance of the North American market and the Mexican subsidiary, thanks also to the positive exchange rate effect.

Turnover in Asia, Africa and Oceania recorded a more contained increase, while sales were good in Turkey and South Korea.

EBITDA for the first quarter of 2022, equal to € 11,440 thousand, compared to € 11,477 thousand in the same period of the previous year (€ 10,869 thousand net of non-recurring income), benefited from the increase in turnover and area variation, while it was affected by increases in the price of raw materials and transport, partially covered by increases in price lists.

Net negative financial position, equal to € 105,114 thousand, is up compared to 31 December 2021, in line with the seasonality of the business and the growth in turnover for the period which led to an increase in trade receivables and inventories.

Components and Accessories

Sales of the segment are up 6.4% compared to the same period of 2021.

The growth in Europe is attributable to higher sales in the agriculture and cleaning divisions.

The increase in sales in the Americas area is due to the good performance of revenues in South America which offset the slight decline in the North American market.

The slight growth in Asia, Africa and Oceania is attributable to higher sales in Asia and Australia, as well as to the good performance of the South African subsidiary.

EBITDA in the first quarter of 2022, equal to € 9,702 thousand compared to € 10,304 thousand in the same period of the previous year, benefited from the increase in sales volumes, while it was negatively affected by an unfavorable mix and the increase the cost of raw materials, electricity and gas.

Net negative financial position, equal to € 48,845 thousand, increasing compared to the end of the 2021 financial year, is due to the increase in net working capital during the quarter linked to the growth of trade receivables and inventories, the latter to meet the good market demand.

Business outlook

The first quarter ended with a significantly higher turnover than last year's record quarter.

The external scenario, however, remains characterized by uncertainties related to the evolution of the pandemic and the consequences of the effects of the Russian-Ukrainian conflict, as well as by the growth trend in the costs of raw materials, energy and transport and by tensions on the supply chain.

In this context, in order to safeguard its profitability, the Group has progressively adjusted sales lists starting from last year. This activity also continues in 2022 to cope with the tightening of supply conditions.

In continuity with the past months, the Group considers the maintenance, even in objectively difficult conditions, of a high level of service to its customers to be a critical success factor. To this end, together with its partners, it actively manages stocks with the aim of minimizing the risks of product shortage.

Despite the criticalities of the period that determine a reduced visibility on demand for the next few months, the management is confident that, thanks to the order portfolio already acquired, the turnover of the first half will record a positive growth trend compared to the first six months of 2021, thus remaining at record levels compared to the historical results.

Subsequent events

No significant events occurred after the end of the period of this report.

Other informations

Significant operations: derogation from disclosure obligations

The Company has resolved to make use, with effect from 31 January 2013, of the right to derogate from the obligation to publish the informative documents prescribed in the event of significant merger, demerger, share capital increase through the transfer of goods in kind, acquisition and disposal operations, pursuant to art. 70, paragraph 8, and art. 71, paragraph 1-bis of Consob Issuers Regulations, approved with resolution no. 11971 of 14/5/1999 and subsequent modifications and integrations.

Definitions of alternative performance indicators

The chart below shows, in accordance with recommendation ESMA/201/1415 published on October 5, 2015, the criteria used for the construction of key performance indicators that management considers necessary to the monitoring the Group performance.

- EBITDA before non-ordinary expenses and revenues: is obtained by deducting at EBITDA the impact of charges and income for litigation and grants, expenses related to M&A transaction, and costs for staff reorganization and restructuring.
- EBITDA: calculated by adding the items "Operating Result" plus "Amortization, depreciation and impairment losses".
- FREE CASH FLOW FROM OPERATIONS: calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses".
- NET WORKING CAPITAL: include items "Trade receivables", "Inventories", current non financial "other receivables" net of "Trade payables" and current non financial "other payables".
- NET FIXED ASSETS or NET NON-CURRENT ASSETS: include non-financial "Non current assets" net of non-financial "Non-current liabilities".
- NET CAPITAL EMPLOYED: is obtained by adding the "Net working capital" and "Net non-current assets".
- NET FINANCIAL POSITION: It is obtained by adding the active financial balances and subtracting the passive financial balances, as well as identified according to the criteria of the Esma (according to Consob communication no. 5/21 of 29 April 2021).

It should be noted that alternative performance indicators are not identified as an accounting measure under the International Accounting Standards and, therefore, should not be considered a substitute measure for the evaluation of the performance of the Company and the Group. The criterion for determining these indicators applied by the Company and the Group may not be homogeneous with that adopted by other companies in the sector and, therefore, such data may not be comparable.

Consolidated financial statements

Consolidated Income Statement

Thousand of Euro

FY 2021	CONSOLIDATED INCOME STATEMENT	1 Q 2022	1 Q 2021
588,299	Revenues from sales	190,247	162,881
5,110	Other operating incomes	713	1,381
48,764	Change in inventories	9,094	(1,272)
(354,737)	Raw materials, consumable and goods	(113,573)	(85,406)
(98,231)	Personnel expenses	(26,601)	(24,257)
(111,909)	Other operating costs and provisions	(32,541)	(26,410)
(24,392)	Amortization, depreciation and impairment losses	(6,272)	(5,748)
52,904	Operating result	21,067	21,169
1,003	Financial income	893	67
(8,611)	Financial expenses	(1,092)	(1,266)
589	Exchange gains and losses	2,108	375
45,885	Profit befor taxes	22,976	20,345
(12,774)	Income taxes	(6,124)	(5,065)
33,111	Net profit (A)	16,852	15,280
(603)	(Profit)/loss attributable to non controlling interests	(241)	(138)
32,508	Net profit attributable to the Group	16,611	15,142
0.199	Basic earnings per share	0.102	0.093
0.199	Diluted earnings per share	0.102	0.093
FY 2021	CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	1 Q 2022	1 Q 2021
33,111	Net profit (A)	16,852	15,280
8,102	Profits/(losses) deriving from the conversion of foreign company accounts	6,788	2,256
(232)	Actuarial profits/(losses) deriving from defined benefit plans (*)	-	-
65	Income taxes on OCI (*)	-	-
7,935	Total other components to be included in the comprehensive income statement (B)	6,788	2,256
41,046	Total comprehensive income for the period (A)+(B)	23,640	17,536
(641)	Comprehensive net profit attributable to non controlling interests	(477)	(153)
40,405	Comprehensive net profit attributable to the Group	23,163	17,383

(*) Items will not be classified in the income statement

Statement of changes in consolidated equity for the Emak Group at 31.12.2021 and at 31.03.2022

Thousand of Euro	SHARE CAPITAL	SHARE PREMIUM	Treasury Shares	OTHER RESERVES					RETAINED EARNINGS		TOTAL GROUP	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL
				Legal reserve	Revaluation reserve	Cumulative translation adjustment	Reserve IAS 19	Other reserves	Retained earnings	Net profit of the period			
Balance at 31.12.2020	42,623	41,513	(2,029)	3,611	4,353	(7,889)	(1,320)	31,702	88,273	19,300	220,137	2,163	222,300
Profit reclassification				139				183	11,619	(19,300)	(7,359)	(54)	(7,413)
Other changes											-		-
Net profit for the period						8,064	(167)			32,508	40,405	641	41,046
Balance at 31.12.2021	42,623	41,513	(2,029)	3,750	4,353	175	(1,487)	31,885	99,892	32,508	253,183	2,750	255,933
Profit reclassification									32,508	(32,508)	-		-
Other changes											-		-
Net profit for the period						6,552				16,611	23,163	477	23,640
Balance at 31.03.2022	42,623	41,513	(2,029)	3,750	4,353	6,727	(1,487)	31,885	132,400	16,611	276,346	3,227	279,573

Comments on the financial statements

The interim report has been prepared under disclosure continuity, comparability, international best practice and transparency to the market. Despite the lack of legal obligation, the Board of Directors of Emak S.p.A. has in fact decided, also because of his membership in the STAR segment of the MTA, to continue in drafting and systematic publication of quarterly reports, in compliance with art. 2.2.3, paragraph 3, letter. a) of the Regulation of Markets organized and managed by Borsa Italiana S.p.A. The reports are made available to the public in the usual forms of deposit at the registered office, the company website and the "eMarket Storage" storage mechanism.

In relation to the above, it is confirmed that the accounting principles and policies adopted by the Group in preparing the quarterly consolidated financial statements are consistent with those adopted in the consolidated financial statements at 31 December 2021, with the peculiarities shown below.

In this interim report IAS 19 is not applied as far as the quantification of changes in actuarial gains accrued in the period is concerned. In addition, in the context of disclosure of synthetic and essential character, are not observed all the detailed requirements of IAS 34, whenever it is assessed that its application does not bring meaningful information.

It should be noted that:

- when it has not been possible to obtain invoices from suppliers for the provision of consulting and other services, a reasonable estimate of these costs has been made on the basis of the stage of completion of the work;
- current and deferred taxes have been calculated using the tax rates applied in the current year in the individual countries of operation;
- the quarterly report is not subject to audit;
- all amounts are expressed in thousands of euros, unless otherwise specified.

Exchange rates used to translation of financial statements in foreign currencies:

31.12.2021	Amount of foreign for 1 Euro	Average 3 M 2022	31.03.2022	Average 3 M 2021	31.03.2021
0.84	GB Pounds (UK)	0.84	0.85	0.87	0.85
7.19	Renminbi (China)	7.12	7.04	7.81	7.68
1.13	Dollar (Usa)	1.12	1.11	1.20	1.17
4.60	Zloty (Poland)	4.62	4.65	4.55	4.65
18.06	Zar (South Africa)	17.08	16.17	18.03	17.35
30.92	Uah (Ukraine)	32.25	32.48	33.68	32.63
6.31	Real (Brazil)	5.87	5.30	6.60	6.74
10.48	Dirham (Morocco)	10.63	10.71	10.78	10.63
23.14	Mexican Pesos (Mexico)	22.99	22.09	24.53	24.05
964.35	Chilean Pesos (Chile)	907.57	875.81	872.41	854.90
10.25	Swedish krona (Sweden)	10.48	10.34	10.12	10.24

Significant, non-recurring transactions or atypical, unusual transactions

There are no noteworthy events.

Bagnolo in Piano (RE), May 13, 2022

On behalf of the Board of Directors

The Chairman

Massimo Livatino

Declaration of the executive in charge of preparing the accounting statements pursuant to the rules of Article 154-bis, paragraph 2 of Legislative Decree no. 58/1998

The executive in charge of preparing corporate accounting statements of EMAK S.p.A., Roberto Bertuzzi, based on his own knowledge,

certifies,

in accordance with the second paragraph of Art. 154-bis, of Italian Legislative Decree No. 58 of 24 February 1998, that the accounting information contained in the Quarterly Report at 31 March 2022, examined and approved today by the Board of Directors of the company, corresponds with the accounting documents, ledgers and records.

Faithfully,
Bagnolo in Piano (RE), May 13, 2022

Roberto Bertuzzi
Executive in charge
of preparing the accounting statements