

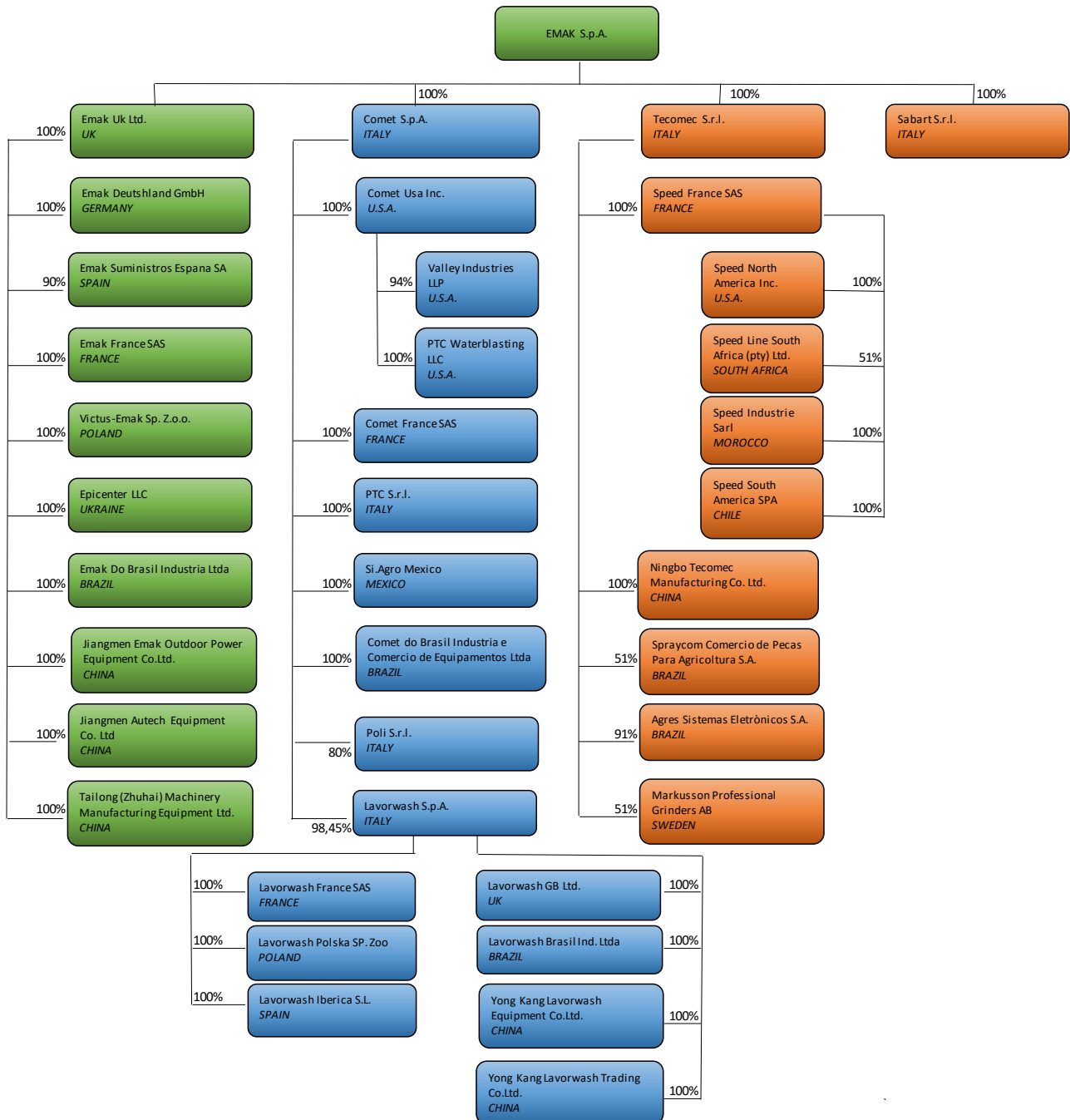
Interim report at 30.09.2022

These financial statements were approved by the Board of Directors on 11 November 2022 and it is available on the Internet at the address www.emakgroup.com

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Organizational chart of Emak Group at 30 September 2022



- Valley Industries LLP is consolidated at 100% as a results of the "Put and Call Option Agreement" that governs the purchase of the remaining 6%.
- Comet do Brasil Industria e Comercio de Equipamentos Ltda is owned for 99.63% by Comet S.p.A. and 0.37% by P.T.C. S.r.l.
- Emak do Brasil is owned for 99.98% by Emak S.p.A. and 0.02% by Comet do Brasil Industria e Comercio de Equipamentos Ltda.
- Lavorwash Brasil Ind. Ltda is owned for 99.99% by Lavorwash S.p.A. and 0.01% by Comet do Brasil Industria e Comercio de Equipamentos Ltda.
- S.I.Agro Mexico is owned for 97% by Comet S.p.A. and 3% by P.T.C. S.r.l.
- Markusson Professional Grinders AB is consolidated at 100% as a results of the "Put and Call Option Agreement" that governs the purchase of the remaining 49%.
- Agres Sistemas Eletrônicos S.A. is consolidated at 100% as a results of the "Put and Call Option Agreement" that governs the purchase of the remaining 9%.
- Poli S.r.l. is consolidated at 100% as a results of the "Put and Call Option Agreement" that governs the purchase of the remaining 20%.
- The companies Emak Deutschland GmbH and Speed Industrie Sarl have ceased their operational activities.
- The company Jiangmen Autech Equipment Co. Ltd, incorporated on September 30, is not yet operational.

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 Director

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		3 Q 2022	3 Q 2021	9 months 2022	9 months 2021
588,299	Revenues from sales	124,060	131,274	492,265	464,238
77,436	EBITDA before non ordinary income/expenses (*)	14,631	15,763	68,676	69,465
77,296	EBITDA (*)	14,494	15,896	68,457	69,735
52,904	EBIT	7,962	9,868	49,190	52,048
33,111	Net profit	5,401	6,132	37,147	37,740

Investment and free cash flow (€/000)

Year 2021		3 Q 2022	3 Q 2021	9 months 2022	9 months 2021
13,338	Investment in property, plant and equipment	3,518	3,712	9,794	9,586
4,223	Investment in intangible assets	1,409	832	3,704	2,694
57,503	Free cash flow from operations (*)	11,933	12,160	56,414	55,427

Statement of financial position (€/000)

31.12.2021		30.09.2022	30.09.2021
400,202	Net capital employed (*)	473,876	378,382
(144,269)	Net debt (*)	(181,627)	(120,280)
255,933	Total equity	292,249	258,102

Other statistics

Year 2021		3 Q 2022	3 Q 2021	9 months 2022	9 months 2021
13.1%	EBITDA / Net sales (%)	11.7%	12.1%	13.9%	15.0%
9.0%	EBIT/ Net sales (%)	6.4%	7.5%	10.0%	11.2%
5.6%	Net profit / Net sales (%)	4.4%	4.7%	7.5%	8.1%
13.2%	EBIT / Net capital employed (%)			10.4%	13.8%
0.56	Net debt / Equity			0.62	0.47
2,225	Number of employees at period end			2,257	2,208

Share information and prices

31.12.2021		30.09.2022	30.09.2021
0.199	Earnings per share (€)	0.222	0.227
2.12	Official price (€)	0.89	1.74
2.28	Maximum share price in period (€)	2.13	1.99
1.08	Minimum share price in period (€)	0.88	1.08
348	Stockmarket capitalization (€ / million)	146	285
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 protraction of the conflict following the invasion by the Russian Federation of the Ukrainian territory is having negative repercussions on the performance of the financial markets and on the prices of some commodities, in particular energy goods, with possible negative implications in terms of GDP growth of the main world economies.

The Group operates in Ukraine mainly through a subsidiary, Epicenter Llc, while it distributes its products through independent customers in other areas affected by the conflict: Russia and Belarus in particular.

Epicenter Llc, located in Kiev (Ukraine), 100% controlled by Emak S.p.A., since the beginning of the war, has implemented all the necessary measures to preserve the safety of its employees in the first instance and, therefore, integrity of company assets. The subsidiary company, which employs 24 employees, generated a turnover of approximately € 4 million in the first nine months of 2022 (€ 3.4 million in the first nine months of 2021); the total assets of the company as at 30 September 2022 amounted to approximately € 3.3 million, mainly represented by inventories for € 1.6 million, trade receivables for € 1.4 million and cash for € 0.2 million.

During the first nine months the subsidiary, although subjected to safety and logistical problems, generated an income higher than the same period of 2021. The local management continues to scrupulously monitor the evolution of the conditions to guarantee the continuity of the activity in conditions of maximum security, exposure to the market and the integrity of product stocks.

Net of the business of the commercial subsidiary, the Ukrainian market is marginal for the Group, with sales generated in the first nine months of 2022 for approximately € 0.4 million (€ 0.6 million in the same period of 2021).

The business in the Russian and Belarusian markets decreased in the period, generating revenues for € 7.1 million compared to € 9.2 million in the same period of 2021. Exposure at the end of September amounted to approximately € 0.9 million, unchanged compared to the end of June.

In serving these markets, the Group complies with the most scrupulous checks of counterparties to limit commercial and financial risks, including through insurance coverage and compliance with the restrictions currently in force.

As far as the supply chain is concerned, there are no impacts directly linked to the conditions in question.

The Group maintains high attention to the continuous evolution of geopolitical conditions, at the same time implementing continuous monitoring of operations and compliance with regulations, in order to prevent adverse impacts of a commercial and financial nature.

Given the impacts of the conflict on the world economy, the Group, also following the recommendations issued by the Italian and European regulators, on the occasion of the approval of the 2022 half-yearly accounts, considered it appropriate to investigate the presence of indicators of possible reductions in the recoverable values of goodwill and tangible and intangible assets, analyzing internal and external sources of information and evaluating the effects (direct and indirect) of the conflict. This analysis, also taking into account the monitoring of trends up to September 2022 did not highlight the need to prepare new multi-year business plans, nor to activate the impairment test procedures on specific assets.

Scope of consolidation

Compared to 31 December 2021 there are no changes in the area; with reference to 30 September 2021 the company Poli S.r.l. joined the consolidation area.

Comments on economic figures

Revenues from sales

The turnover of third quarter 2022 amounts to € 124,060 thousand, compared to € 131,274 thousand of the same period last year, a decrease of 5.5%. The figure for the quarter was affected by the slowdown in sales of gardening and cleaning products, penalized by the worsening of the external scenario and by unfavorable weather conditions, against a good performance recorded by products for agriculture and industrial activity.

In the first nine months 2022 Emak Group achieved a consolidated turnover of € 492,265 thousand, compared to € 464,238 thousand of last year, an increase of 6%. The increase is due to the organic growth for 2.7%, from the effect of positive translation changes for 2.6% and from change in the scope of consolidation for 0.7%.

EBITDA

EBITDA of third quarter 2022 amounts to € 14,494 thousand, compared to € 15,896 thousand in the corresponding quarter of last year.

EBITDA for the first nine months of 2022 amounts to € 68,457 thousand (13.9% of revenues) compared to € 69,735 thousand (15% of revenues) in the corresponding period of previous year.

During nine months 2022, non-ordinary expenses were recorded for € 219 thousand (in the same period 2021 non-ordinary expenses for € 792 thousand and non-ordinary revenues for € 1,062 thousand were recorded).

Ebitda before non-ordinary expenses and revenues is equal to € 68,676 thousand (14% of revenues) compared to € 69,465 thousand of the same period last year (15% of revenues).

The application of the IFRS 16 principle has resulted in a positive effect on the Ebitda of the first nine months 2022 for € 5,393 thousand, against to a positive effect of € 4,830 thousand in the nine months 2021.

EBITDA benefited from higher revenues mainly driven by the increase in sales prices, and the change in the consolidation area, while it was affected by the increase in the costs of raw materials, the increase in costs for services, in particular those related to energy and transport. It should also be noted the increase in promotion and advertising costs as well as travel expenses following the post-pandemic Covid-19 recovery.

Personnel costs increased, in absolute value, compared to the same period 2021 for € 3,078 thousand (€ 2,125 thousand on a like-for-like basis of consolidation), following the increase in the workforce and the dynamics of labor costs, while the percentage incidence of the cost on turnover decreased, passing from 15.7% to 15.4%.

The average number of resources employed by the Group, also considering temporary workers employed in the period and the different scope of consolidation, was 2,497 (2,469 like-for-like basis of consolidation) compared to 2,450 in the same period of last year.

Operating result

Operating result of third quarter 2022 is equal to € 7,962 thousand, compared to € 9,868 thousand in the corresponding quarter of last year.

Operating result for the first nine months of 2022 is € 49,190 thousand, with an incidence of 10% on revenues compared to € 52,048 thousand (11.2% of revenues) in the corresponding period of previous year.

Depreciation and amortization are € 19,267 thousand compared to € 17,687 thousand in the same period of previous year.

Non-annualized operating result as a percentage of net capital employed is 10.4% compared to 13.8% of the same period of the previous year.

Net result

Net Profit of third quarter 2022 is equal to € 5,401 thousand compared to € 6,132 thousand of the same period last year.

Net Profit for the first nine months of 2022 is € 37,147 thousand, compared to € 37,740 thousand in the same period of previous year.

The item "Financial revenues" amounts to € 3,017 thousand (an increase compared to € 440 thousand of the same period 2021), includes € 2,256 thousand of income on valuation of derived for hedging interest rate and € 380 thousand for debt adjustment estimate for purchase commitment of remaining shares of the subsidiary Valley LLP (in the same period of 2021 there were financial charges for € 990 thousand).

The item "Financial expenses", equal to € 4,711 thousand, is increasing compared to € 3,682 thousand of the same period 2021, for debt adjustment for purchase of remaining shares of the subsidiary Markusson (for an amount of € 581 thousand), for the increase in the cost of money and for the higher gross indebtedness.

Currency management in the first nine months 2022 is positive for € 2,901 thousand, compared to a positive value of € 1,032 thousand for the same period of the previous year. Exchange rate management was positively affected by the revaluation of the US dollar and the Brazilian real against the Euro.

The effective tax rate is 26.3% compared to 24.3% in the same period of the previous year which benefited from the positive effect deriving from the realignment operation of the tax value with the statutory ones, partially reversed in the last quarter of 2021.

Comment to consolidated statement of financial position

31.12.2021	€/000	30.09.2022	30.09.2021
202,117	Net non-current assets (*)	206,553	189,361
198,085	Net working capital (*)	267,323	189,021
400,202	Total net capital employed (*)	473,876	378,382
253,183	Equity attributable to the Group	288,542	255,409
2,750	Equity attributable to non controlling interests	3,707	2,693
(144,269)	Net debt (*)	(181,627)	(120,280)

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

Net non-current assets

In the first nine months 2022 Emak Group invested € 13,498 thousand in property, plant and equipment and intangible assets, as follows:

- € 3,688 thousand for innovation, improvement and technological adaptation of products;
- € 4,090 thousand for adjustment of production capacity and for process innovation;
- € 2,375 thousand for upgrading and maintenance the computer network system;
- € 1,853 thousand for modernization of industrial buildings;
- € 1,492 thousand for other investments in operating activities.

Investments broken down by geographical area are as follows:

- € 8,371 thousand in Italy;
- € 1,520 thousand in Europe;
- € 2,245 thousand in the Americas;
- € 1,362 thousand in Asia, Africa and Oceania.

Net working capital

Net working capital, compared to 31 December 2021, increased by € 69,238 thousand, rising from € 198,085 thousand to € 267,323 thousand.

The following table shows the change in net working capital at 30 September 2022 compared with the same period of the previous year:

€/000	9M 2022	9M 2021
Net working capital at 01 January	198,085	165,655
Increase/(decrease) in inventories	16,854	20,928
Increase/(decrease) in trade receivables	2,417	16,960
(Increase)/decrease in trade payables	46,905	(2,397)
Change in scope of consolidation	-	-
Other changes	3,062	(12,125)
Net working capital at 30 September	267,323	189,021

The increase in net working capital compared to 31 December is mainly linked to the dynamics of purchases and inventories in the first part of the year: in order to effectively cope with the strong market demand and the difficult logistical conditions, the Group has increased its inventories. In the third quarter, depending on the changed market conditions, the slowdown in production volumes led to a reduction in purchases, with a still limited impact on inventories, but already evident on trade payables.

The actions undertaken will lead to a normalization of the level of inventories and of the purchase conditions with relative impacts on working capital.

Net financial position

Net negative financial position amounts to € 181,627 thousand at 30 September 2022, compared to € 144,269 thousand at 31 December 2021 and € 120,280 thousand at 30 September 2021.

The following table shows the movements in the net financial position in the first nine months 2022 compared with the same period last year:

€/000	9M 2022	9M 2021
Opening NFP	(144,269)	(126,552)
Net profit	37,147	37,740
Amortization, depreciation and impairment losses	19,267	17,687
Cash flow from operations, excluding changes in operating assets and liabilities	56,414	55,427
Changes in operating assets and liabilities	(61,320)	(24,878)
Cash flow from operations	(4,906)	30,549
Changes in investments and disinvestments	(13,149)	(11,725)
Changes rights of use IFRS 16	(2,231)	(6,068)
Dividends cash out	(12,373)	(7,413)
Other equity changes	-	-
Changes from exchange rates and translation reserve	(4,699)	929
Change in scope of consolidation	-	-
Closing NFP	(181,627)	(120,280)

The variation compared to the figure of december is mainly linked to the trend in working capital. The increase recorded in the first 9 months of 2022, compared to the dynamics of the same period of 2021, is mainly determined by the increase in working capital, the higher dividends distributed and the negative effect of exchange rates.

Details of the net financial position is analyzed as follows:

(€/000)	30.09.2022	31.12.2021	30.09.2021
A. Cash	86,185	79,645	87,183
B. Cash equivalents	-	-	-
C. Other current financial assets	2,432	358	843
D. Liquidity funds (A+B+C)	88,617	80,003	88,026
E. Current financial debt	(35,493)	(19,938)	(15,637)
F. Current portion of non-current financial debt	(61,803)	(56,213)	(56,686)
G. Current financial indebtedness (E + F)	(97,296)	(76,151)	(72,323)
H. Net current financial indebtedness (G - D)	(8,679)	3,852	15,703
I. Non-current financial debt	(174,081)	(149,105)	(136,977)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I + J + K)	(174,081)	(149,105)	(136,977)
M. Total financial indebtedness (H + L) (ESMA)	(182,760)	(145,253)	(121,274)
N. Non current financial receivables	1,133	984	994
O. Net financial position (M-N)	(181,627)	(144,269)	(120,280)
Effect IFRS 16	37,426	38,974	30,834
Net financial position without effect IFRS 16	(144,201)	(105,295)	(89,446)

Net financial position at 30 September 2022 includes actualized financial liabilities related to the payment of future rental and rent payments, in application of IFRS 16 standard, equal to overall € 37,426 thousand, of which € 6,216 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 30 September 2023;
- amounts due to other providers of finance falling due by 30 September 2023;
- debt for equity investments in the amount of € 5,396 thousand.

Financial liabilities for the purchase of the remaining minority shares are equal to € 11,710 thousand, of which € 6,314 thousand in the medium to long term, related to the following companies:

- Agres S.A. for € 3,913 thousand;
- Markusson AB for € 3,862 thousand;
- Valley LLP for € 2,337 thousand;
- Poli S.r.l. for € 1,598 thousand.

Equity

Total equity is equal to € 292,249 thousand against € 255,933 thousand at 31 December 2021.

Earnings per share at 30 September 2022 is equal to 0.222 Euro compared to 0.227 Euro in the same period of previous year.

On April 29, 2022, the Shareholders' Meeting authorized the program for the purchase and sale of treasury shares for a period of 18 months starting from that date; the purchase is authorized up to a maximum of n. 9,000,000

shares, corresponding to 5.490% of the current share capital, taking into account the treasury shares already in the portfolio, which as of September 30th amounted to 397,233.

During first nine months 2022 there were no movements in the consistency of the number of treasury shares.

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

	OUTDOOR POWER EQUIPMENT		PUMPS AND HIGH PRESSURE WATER JETTING			COMPONENTS AND ACCESSORIES			Other not allocated / Netting		Consolidated	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
€/000												
Sales to third parties	169,594	162,963	192,540	180,581	130,131	120,694					492,265	464,238
Intersegment sales	297	275	2,829	2,259	7,977	7,905			(11,103)	(10,439)		
Revenues from sales	169,891	163,238	195,369	182,840	138,108	128,599			(11,103)	(10,439)	492,265	464,238
Ebitda	13,431	16,689	29,983	29,287	27,457	26,533			(2,414)	(2,774)	68,457	69,735
Ebitda/Total Revenues %	7.9%	10.2%	15.3%	16.0%	19.9%	20.6%					13.9%	15.0%
Ebitda before non ordinary expenses	13,490	16,762	30,061	28,677	27,539	26,800			(2,414)	(2,774)	68,676	69,465
Ebitda before non ordinary expenses/Total Revenues %	7.9%	10.3%	15.4%	15.7%	19.9%	20.8%					14.0%	15.0%
Operating result	7,315	10,616	23,666	23,665	20,623	20,541			(2,414)	(2,774)	49,190	52,048
Operating result/Total Revenues %	4.3%	6.5%	12.1%	12.9%	14.9%	16.0%					10.0%	11.2%
Net financial expenses (1)											1,207	(2,210)
Profit before taxes											50,397	49,838
Income taxes											(13,250)	(12,098)
Net profit											37,147	37,740
Net profit/Total Revenues%											7.5%	8.1%
(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	30.09.2022	31.12.2021	30.09.2022	31.12.2021	30.09.2022	31.12.2021	30.09.2022	31.12.2021	30.09.2022	31.12.2021	30.09.2022	31.12.2021
Net debt	18,098	6,778	115,708	96,092	47,867	41,399		(46)	0	181,627	144,269	
Shareholders' Equity	192,564	186,501	102,563	83,830	75,340	63,454		(78,218)	(77,852)	292,249	255,933	
Total Shareholders' Equity and Net debt	210,662	193,279	218,271	179,922	123,207	104,853		(78,264)	(77,852)	473,876	400,202	
Net non-current assets (2)	125,840	128,424	100,580	95,854	55,379	53,233		(75,246)	(75,394)	206,553	202,117	
Net working capital	84,822	64,855	117,691	84,068	67,828	51,620		(3,018)	(2,458)	267,323	198,085	
Total net capital employed	210,662	193,279	218,271	179,922	123,207	104,853		(78,264)	(77,852)	473,876	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	30.09.2022	31.12.2021	30.09.2022	31.12.2021	30.09.2022	31.12.2021	30.09.2022	31.12.2021	30.09.2022	31.12.2021	30.09.2022	31.12.2021
Number of employees at period end	747	758	870	837	631	622		9	8	2,257	2,225	
OTHER INFORMATIONS	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.06.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Amortization, depreciation and impairment losses	6,115	6,073	6,318	5,622	6,834	5,992					19,267	17,687
Investment in property, plant and equipment and in intangible assets	3,025	2,899	4,788	3,036	5,685	6,345					13,498	12,280

(*) 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 third quarter and in first nine months of 2022 by business sector and geographic area, compared with the same period last year.

Third quarter turnover:

	OUTDOOR POWER EQUIPMENT			PUMPS AND HIGH PRESSURE WATER JETTING			COMPONENTS AND ACCESSORIES			CONSOLIDATED		
	3Q 2022	3Q 2021	Var. %	3Q 2022	3Q 2021	Var. %	3Q 2022	3Q 2021	Var. %	3Q 2022	3Q 2021	Var. %
Europe	27,864	37,306	(25.3)	24,570	27,218	(9.7)	16,070	16,670	(3.6)	68,504	81,194	(15.6)
Americas	1,947	2,199	(11.5)	21,139	17,383	21.6	17,524	13,629	28.6	40,610	33,211	22.3
Asia, Africa and Oceania	3,325	5,292	(37.2)	7,613	7,330	3.9	4,008	4,247	(5.6)	14,946	16,869	(11.4)
Total	33,136	44,797	(26.0)	53,322	51,931	2.7	37,602	34,546	8.8	124,060	131,274	(5.5)

Turnover of the first nine months:

€/000	OUTDOOR POWER EQUIPMENT			PUMPS AND HIGH PRESSURE WATER JETTING			COMPONENTS AND ACCESSORIES			CONSOLIDATED		
	9M 2022	9M 2021	Var. %	9M 2022	9M 2021	Var. %	9M 2022	9M 2021	Var. %	9M 2022	9M 2021	Var. %
Europe	147,180	140,148	5.0	98,997	98,694	0.3	67,581	65,360	3.4	313,758	304,202	3.1
Americas	7,285	7,039	3.5	68,895	58,509	17.8	47,837	39,704	20.5	124,017	105,252	17.8
Asia, Africa and Oceania	15,129	15,776	(4.1)	24,648	23,378	5.4	14,713	15,630	(5.9)	54,490	54,784	(0.5)
Total	169,594	162,963	4.1	192,540	180,581	6.6	130,131	120,694	7.8	492,265	464,238	6.0

Outdoor Power Equipment

Segment revenues are up by 4.1% compared to the same period of the previous year.

Sales recorded a general increase on the European market with the exception of the Russian Federation.

In the Americas area, growth was recorded in the main markets of South America, with stable sales in the United States.

In the rest of the world, revenues fell mainly due to the drop in exports to the Turkish market.

EBITDA, equal to € 13,431 thousand, is down compared to the same period 2021 (€ 16,689 thousand). The figure is affected by the increase in logistics and procurement costs, energy costs and currency trends, as well as the higher costs associated with commercial initiatives in support of the distribution network. Adjustments to the sales price lists have progressively offset the increases recorded in production costs.

Net negative financial position, equal to € 18,098 thousand, increased compared to 31 December 2021, due to the increase in net working capital deriving from the business trend and the demand management policies adopted during the first part of the exercise.

Pumps and High Pressure Water Jetting

Segment revenues are up by 6.6% compared to the same period of the previous year.

Sales in Europe were in line with the nine months of 2021: growth in the Netherlands, Germany and Spain offset the shrinking markets in France, Italy and Poland. The area change led to an increase of € 3,118 thousand. There was a slight decline in sales through the online channel.

The greatest increase in revenues occurs in the Americas area thanks to the good performance of the North American market and the Mexican and Brazilian subsidiaries, in addition to the positive exchange rate effect.

A smaller increase is recorded in Asia, Africa and Oceania following the good performance of sales in Turkey and United Arab Emirates.

EBITDA, equal to € 29,983 thousand, compared to € 29,287 thousand in the same period of 2021, benefited from the increase in turnover and the change in area, while it was affected by the greater incidence of overhead costs.

Net negative financial position, equal to € 115,708 thousand, is up compared to 31 December 2021, as a result of the increase in net working capital due to the strong increase in inventories.

Components and Accessories

Sales of the segment are up by 7.8% compared to the same period of the previous year.

The increase in turnover in Europe is attributable to higher sales of agricultural products.

The growth in the Americas area is due to the good performance of revenues in South America which offset the decline in the North American market, in addition to the positive exchange rate effect.

The slowdown in demand on the Turkish, Chinese and Japanese markets negatively impacted the performance in Asia, Africa and Oceania.

EBITDA, equal to € 27,457 thousand, compared to € 26,533 thousand in the same period 2021, benefited from the increase in turnover, while it was negatively affected by the increase in the costs of raw materials and energy used in production processes, as well as commercial costs for travel expenses and trade fairs and finally the trend of currencies.

Net negative financial position, equal to € 47,867 thousand, up compared to the end of 2021, is due to the increase in net working capital and, to a lesser extent, to the adjustment of the debt for the Put & Call option of the Markusson company.

Business outlook

During the third quarter, the expected signs of a slowdown in consumption emerged due to the continuous worsening of the macroeconomic scenario, with a consequent impact on Group sales. Thanks to the diversification of the product portfolio, the Group benefited from the positive trend of the Agriculture and Industry business lines which partially mitigated the slowdowns recorded in the Gardening and Cleaning sectors.

Based on the sales trend in October, the expectations of closing the year with a turnover higher than the record values recorded in 2021 are confirmed.

The Group, despite a particularly complex market context, has implemented activities aimed at the progressive normalization of the value of the net working capital.

Subsequent events

Acquisition of Trebol Maquinaria y Suministros S.A.

On 30 September 2022, the subsidiary Sabart S.r.l., signed a binding agreement for the purchase of control of Trebol Maquinaria y Suministros S.A., a company based in La Coruna (Spain), active in the marketing of spare parts and accessories in the Garden and Forestry.

In 2021, the company achieved sales of approximately € 5 million, a normalized EBITDA of approximately 13%, with a positive net financial position of approximately € 200 thousand.

On 13 October 2022, Sabart S.r.l. completed the acquisition of 83.33% of the company at a price of approximately € 3.4 million.

The remaining share of the company, equal to 16.67%, remains owned by one of the founders of the company.

With this transaction, the Group intends to expand its direct presence in the Components & Accessories segment in one of the main markets at European level as well as to expand its spare parts catalog, further strengthening its position as a key supplier in the sector.

Start of the Buy Back plan

In execution of the shareholders' meeting resolution of April 29, 2022, starting from October 10, 2022 and until December 16, 2022, a Buyback Plan was launched for a maximum number of purchasable treasury shares of 1,000,000 (equal to approximately 0.6 % of the subscribed share capital) for a maximum value of 1,500,000 Euro.

The Buyback plan meets the following purposes:

- set up a securities warehouse with which to carry out operations such as the sale, contribution and exchange of treasury shares for the acquisition of equity investments and / or the conclusion of agreements with strategic partners that fall within the Group's expansion objectives;
- set up the necessary funds to execute any stock option plans that may in the future be approved by the Shareholders' Meeting.

For the implementation of the Buyback Plan, Emak has appointed Intermonte SIM S.p.A. as a specialized intermediary who will adopt decisions regarding purchases in full independence, also in relation to the timing of the transactions, in compliance with the parameters and criteria defined in the contract, as well as the applicable legislation and the aforementioned shareholders' resolution.

Purchases of treasury shares are subject to periodic communications by the company, within the times and in the manner provided for by the relevant legislation.

Other information

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 4/5/1999 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 relating to non-core management, 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

Year 2021	CONSOLIDATED INCOME STATEMENT	3 Q 2022	3 Q 2021	9 months 2022	9 months 2021
588,299	Revenues from sales	124,060	131,274	492,265	464,238
5,110	Other operating incomes	1,212	1,525	3,049	3,676
48,764	Change in inventories	(701)	13,741	9,627	18,210
(354,737)	Raw materials, consumables and goods	(62,057)	(81,668)	(269,344)	(261,866)
(98,231)	Personnel expenses	(22,156)	(22,371)	(75,768)	(72,690)
(111,909)	Other operating costs and provisions	(25,864)	(26,605)	(91,372)	(81,833)
(24,392)	Amortization, depreciation and impairment losses	(6,532)	(6,028)	(19,267)	(17,687)
52,904	Operating result	7,962	9,868	49,190	52,048
1,003	Financial income	1,172	74	3,017	440
(8,611)	Financial expenses	(2,177)	(801)	(4,711)	(3,682)
589	Exchange gains and losses	654	(697)	2,901	1,032
45,885	Profit before taxes	7,611	8,444	50,397	49,838
(12,774)	Income taxes	(2,210)	(2,312)	(13,250)	(12,098)
33,111	Net profit (A)	5,401	6,132	37,147	37,740
(603)	(Profit)/loss attributable to non controlling interests	(339)	(63)	(862)	(540)
32,508	Net profit attributable to the Group	5,062	6,069	36,285	37,200
0.199	Basic earnings per share	0.031	0.037	0.222	0.227
0.199	Diluted earnings per share	0.031	0.037	0.222	0.227

Year 2021	CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	9 months 2022	9 months 2021
33,111	Net profit (A)	37,147	37,740
8,102	Profits/(losses) deriving from the conversion of foreign company accounts	11,542	5,475
(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)	11,542	5,475
41,046	Total comprehensive income for the period (A)+(B)	48,689	43,215
(641)	Comprehensive net profit attributable to non controlling interests	(1,065)	(584)
40,405	Comprehensive net profit attributable to the Group	47,624	42,631

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

Statement of consolidated financial position

Thousand of Euro

31.12.2021	ASSETS	30.09.2022	30.09.2021
	Non-current assets		
78,558	Property, plant and equipment	80,255	77,486
24,853	Intangible assets	24,324	21,919
37,665	Rights of use	35,958	29,781
70,634	Goodwill	75,360	68,523
8	Equity investments in other companies	8	8
10,012	Deferred tax assets	10,267	9,987
984	Other financial assets	1,133	994
59	Other assets	62	58
222,773	Total non-current assets	227,367	208,756
	Current assets		
217,316	Inventories	234,170	184,530
127,984	Trade and other receivables	131,451	128,043
10,076	Current tax receivables	8,705	7,212
72	Other financial assets	38	55
286	Derivative financial instruments	2,394	788
79,645	Cash and cash equivalents	86,185	87,183
435,379	Total current assets	462,943	407,811
658,152	TOTAL ASSETS	690,310	616,567
31.12.2021	SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.2022	30.09.2021
	Shareholders' Equity		
253,183	Shareholders' Equity of the Group	288,542	255,409
2,750	Non-controlling interests	3,707	2,693
255,933	Total Shareholders' Equity	292,249	258,102
	Non-current liabilities		
115,994	Loans and borrowings due to banks and other lenders	142,871	111,171
33,111	Liabilities for leasing	31,210	25,806
7,386	Deferred tax liabilities	8,019	6,423
7,500	Employee benefits	7,455	7,454
2,590	Provisions for risks and charges	2,605	2,487
2,197	Other non-current liabilities	1,601	2,036
168,778	Total non-current liabilities	193,761	155,377
	Current liabilities		
149,222	Trade and other payables	98,691	120,914
6,182	Current tax liabilities	6,609	8,209
69,707	Loans and borrowings due to banks and other lenders	90,333	66,795
5,863	Liabilities for leasing	6,216	5,028
581	Derivative financial instruments	747	500
1,886	Provisions for risks and charges	1,704	1,642
233,441	Total current liabilities	204,300	203,088
658,152	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	690,310	616,567

Statement of changes in consolidated equity for the Emak Group at 31.12.2021 and at 30.09.2022

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)
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				497				454	19.292	(32.508)	(12.265)	(108)	(12.373)
Net profit for the period						11.339				36.285	47.624	1.065	48.689
Balance at 30.09.2022	42.623	41.513	(2.029)	4.247	4.353	11.514	(1.487)	32.339	119.184	36.285	288.542	3.707	292.249

Comments on the financial statements

The interim report has been prepared under disclosure continuity, comparability, international best practice and transparency to the market. The Board of Directors of Emak S.p.A. has decided, because of membership in the STAR segment of the Euronext, to draw up and publish the 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 9 M 2022	30.09.2022	Average 9 M 2021	30.09.2021
0.84	GB Pounds (UK)	0.85	0.88	0.86	0.86
7.19	Renminbi (China)	7.02	6.94	7.74	7.48
1.13	Dollar (Usa)	1.06	0.97	1.20	1.16
4.60	Zloty (Poland)	4.67	4.85	4.55	4.62
18.06	Zar (South Africa)	16.95	17.54	17.42	17.56
30.92	Uah (Ukraine)	32.93	35.64	32.86	30.79
6.31	Real (Brazil)	5.46	5.26	6.38	6.26
10.48	Dirham (Morocco)	10.58	10.71	10.68	10.48
23.14	Mexican Pesos (Mexico)	21.55	19.64	24.08	23.74
964.35	Chilean Pesos (Chile)	912.74	939.73	882.54	937.41
10.25	Swedish krona (Sweden)	10.53	10.90	10.15	10.17

Significant, non-recurring transactions or atypical, unusual transactions

Merger of Brazilian companies Comet do Brasil with Lemasa

During the second quarter the company name of "Comet do Brasil Investimentos LTDA" was changed to "Comet do Brasil Industria e Comercio de Equipamentos LTDA" to proceed with the presentation of the merger application with the subsidiary Lemasa S.A.

On July 8, the business office accepted and registered the request for merger by incorporation between the vehicle companies Comet do brasil and its wholly-owned direct subsidiary Lemasa S.A. generating retroactive effects as of July 1, 2022. Consequently, starting from that date, all of Lemasa's assets, rights, liabilities and obligations are wholly owned by Comet do Brasil Industria e Comercio de Equipamentos LTDA, as established by Brazilian commercial legislation.

The transaction did not have any effects on shareholders' equity of the Group, as the two companies were consolidated at 100% since 2015, and took place in continuity with values already previously allocated.

Purchase of 4% of Valley Industries LLP

On 23 September, Comet Usa company signed an agreement for the purchase of 4% of the shareholding of Valley Industries LLP, bringing its equity investment to 94%.

The price for the acquisition of this share amounts to 942 thousand US dollars, corresponding to approximately € 966 thousand.

The Put & Call agreement, already in place, therefore remains in force for the remaining 6% of the residual equity investment.

Markusson Professional Grinders AB Put & Call extension

On 29 July, Tecomec S.r.l. company signed an amendment to the shareholders' agreement for the Put & Call of the residual equity investment of Markusson. In particular, a first Call option is envisaged for 30% of the share capital of Markusson which may be exercised by Tecomec S.r.l., in the period starting from 1 May to 15 June 2023. A second Call option for the remaining 19% of the share capital of Markusson will be exercisable by Tecomec S.r.l. from 1 May 2026.

The change of the terms resulted in the adjustment of the debt for P&C and a consequent charge, recognized in the income statement for the nine months of 2022, equal to € 581 thousand.

Constitution Jiangmen Autech Equipment Co. Ltd

On 30 September 2022, the establishment of the Chinese company Jiangmen Autech Equipment Co. Ltd, 100% owned by the parent company Emak Spa, was registered. The share capital will be paid at a later date through a net contribution of assets in kind, for a value of about 12 million Renminbi (approximately € 1.8 million), through the spin-off from subsidiary Jiangmen Emak Outdoor Power Equipment Co.ltd. which, to date, has granted on loan to third parties and which consequently are not used for the production process.

Bagnolo in Piano (RE), November 11, 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 30 September 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), November 11, 2022

Roberto Bertuzzi,
Manager in charge
of preparing the accounting statements