



our **power**, your **passion**

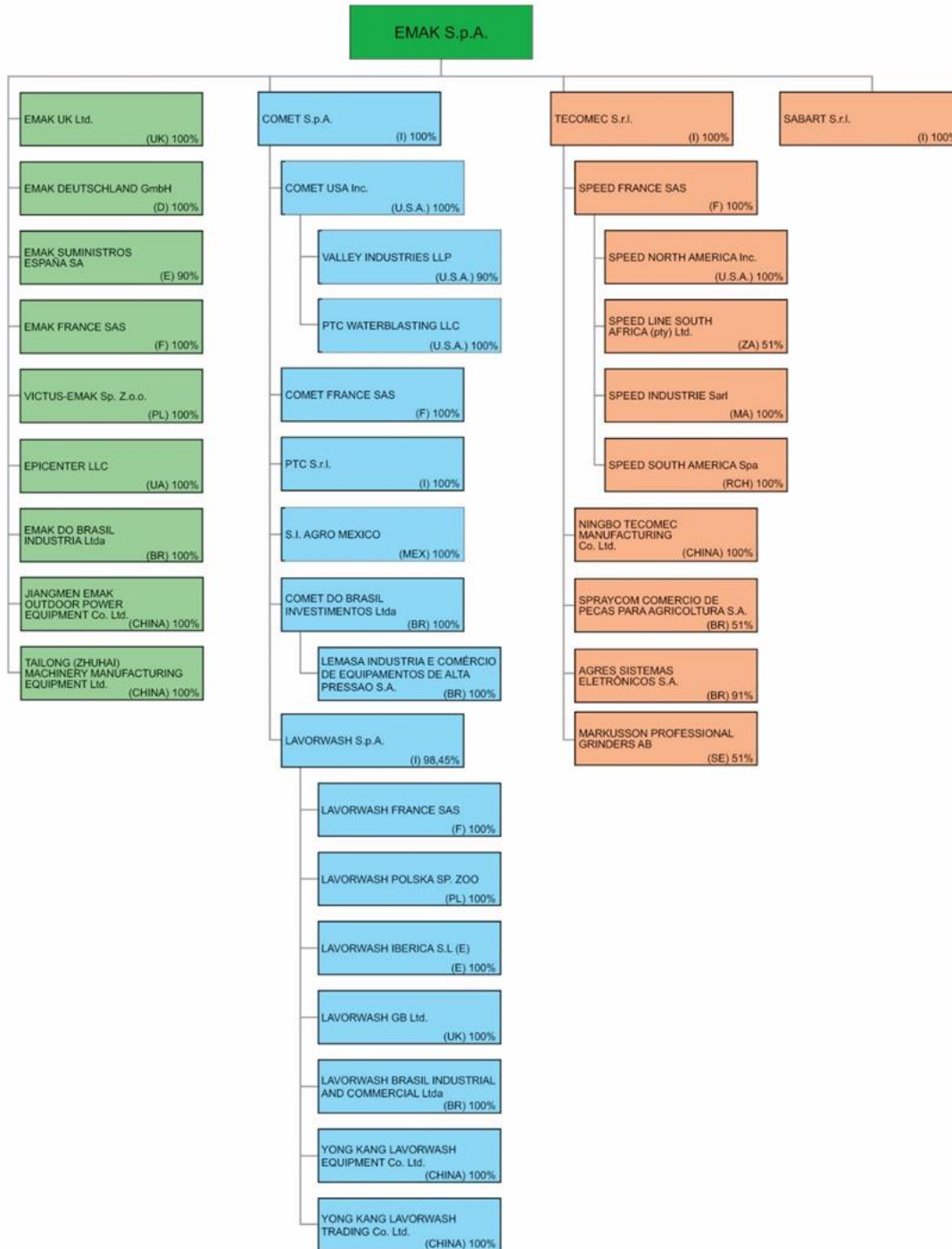


Interim report at 30.09.2021

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Organizational chart of Emak Group at 30 September 2021



1. Valley Industries LLP is consolidated at 100% as a results 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 results 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 results of the "Put and Call Option Agreement" that governs the purchase of the remaining 9%.

Corporate Bodies of Emak S.p.A.

The Ordinary General Meeting of the Shareholders of the Parent Company, Emak S.p.A. on 30 April 2019 appointed the Board of Directors and the Board of Statutory Auditors for the financial years 2019-2021.

Board of Directors

Chairman and Chief Executive Officer

Fausto Bellamico

Deputy Chairman and Executive Director

Aimone Burani

Executive Director

Luigi Bartoli

Lead Independent Director

Massimo Livatino

Independent Directors

Alessandra Lanza

Elena Iotti

Directors

Francesca Baldi

Ariello Bartoli

Paola Becchi

Giuliano Ferrari

Vilmo Spaggiari

Guerrino Zambelli

Marzia Salsapariglia

Secretary of the Board of Directors

Paolo Messarra

Audit Committee, Remuneration Committee, Related Party Transactions Committee, Nomination Committee

Chairman

Massimo Livatino

Components

Alessandra Lanza

Elena Iotti

Financial Reporting Officer

Aimone Burani

Supervisory Body as per Legislative Decree 231/01

Chairman

Sara Mandelli

Acting member

Roberto Bertuzzi

Board of Statutory Auditors

Chairman

Stefano Montanari

Acting auditors

Gianluca Bartoli

Francesca Benassi

Alternate auditor

Maria Cristina Mescoli

Federico Cattini

Independent Auditor

Deloitte & Touche S.p.A.

Main economic and financial figures for Emak Group

Income statement (€/000)

Year 2020		3 Q 2021	3 Q 2020	9 months 2021	9 months 2020
469,778	Revenues from sales	131,274	112,397	464,238	359,893
56,289	EBITDA before non ordinary income/expenses (*)	15,763	14,294	69,465	47,514
55,634	EBITDA (*)	15,896	13,852	69,735	46,816
32,942	EBIT	9,868	8,179	52,048	29,992
19,612	Net profit	6,132	4,847	37,740	15,759

Investment and free cash flow (€/000)

Year 2020		3 Q 2021	3 Q 2020	9 months 2021	9 months 2020
14,018	Investment in property, plant and equipment	3,712	2,416	9,586	9,891
3,152	Investment in intangible assets	832	806	2,694	2,271
44,448	Free cash flow from operations (*)	12,160	11,909	55,427	33,972

Statement of financial position (€/000)

31.12.2020		30.09.2021	30.09.2020
348,852	Net capital employed (*)	378,382	348,916
(126,552)	Net debt (*)	(120,280)	(129,906)
222,300	Total equity	258,102	219,010

Other statistics

Year 2020		3 Q 2021	3 Q 2020	9 months 2021	9 months 2020
11.8%	EBITDA / Net sales (%)	12.1%	12.3%	15.0%	13.0%
7.0%	EBIT/ Net sales (%)	7.5%	7.3%	11.2%	8.3%
4.2%	Net profit / Net sales (%)	4.7%	4.3%	8.1%	4.4%
9.4%	EBIT / Net capital employed (%)			13.8%	8.6%
0.57	Net debt / Equity			0.47	0.59
2,136	Number of employees at period end			2,208	2,022

Share information and prices

31.12.2020		30.09.2021	30.09.2020
0.118	Earnings per share (€)	0.227	0.095
1.098	Official price (€)	1.74	0.83
1.13	Maximum share price in period (€)	1.99	0.94
0.56	Minimum share price in period (€)	1.08	0.56
180	Stockmarket capitalization (€ / million)	285	136
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 Covid-19 emergency

Macroeconomic scenario

The health and economic situation has certainly improved in recent months, both nationally and internationally. In our country, this has happened thanks to well-calibrated preventive measures, the economic support measures implemented by the government and, increasingly, the progress of the vaccination campaign against Covid-19. Good news has also come from the national economic data: real GDP growth in the first half of the current year has exceeded forecasts and the most up-to-date indicators suggest that the third quarter will record another leap forward.

As emerges from the Update Note to the September Economic and Financial Document (DEF), assuming a physiological slowdown in growth in the last three months of the year, the annual forecast of GDP growth rises to 6.0%, from 4.5% assumed in the DEF in April.

On a global level, in the latest update of its Economic Outlook, the OECD substantially confirmed its global growth forecasts, while it revised upwards those for the euro area. According to the OECD, the global economy is continuing to recover, with a forecast for 2022 of global growth of more than 4.5%, but at the same time "the risks remain high" and, in particular, concerns about inflation are gathering.

The prospects for a further recovery of GDP in Italy in the coming quarters are primarily linked to the evolution of the pandemic and world demand, but will also be affected by the shortages of materials and components and by the sharp increases in energy prices recorded in recent months, factors that also impact on the production costs of companies and can hinder their production plans. The high circulation of Covid-19 worldwide and the low vaccination rates in some geographic areas could favour the emergence of more contagious variants or variants capable of evading current vaccines.

Emak Group

The Emak Group constantly monitors the developments in the spread of the COVID-19 pandemic, promptly adopting, at all its offices globally, all local requirements in terms of entry controls and all prevention, control and containment measures, aimed at protecting the health of its employees and collaborators, such as extended smart working, sanitation of the premises, personal protective equipment, temperature measurement, hygiene rules and social distancing.

The year 2020, as well as the first nine months of 2021, were characterized by the rediscovery of green spaces, small-scale agriculture and "do it yourself" activities. Interest in gardening, horticulture and the maintenance of houses and green spaces has increased and with it the associated purchases have grown, with positive effects on the market for specific machines and equipment. The emergence of new lifestyles, induced by the pandemic, has partly positively contributed to the market demand.

The market demand was also supported by a wide and competitive product offer; high operational flexibility made it possible to meet with extraordinary demand which generated an increase in turnover of 29% in the first nine months compared to the same period of the previous year, which was partially penalized by the initial closures and slowdowns of productive activities.

In this context, characterized by strong tension in the production logistics chain, to face with the peak of demand, the Group's activities have focused on optimizing production capacity and on a careful supply chain management.

The increase in the cost of raw materials, components and transport that occurred during the nine months was partially softened by the gradual adjustment of the sales price lists.

In consideration of the fluidity of the situation, the management will constantly monitor the evolution of the context in order to manage the dynamics of costs, with the aim of limiting the impact on margins.

In consideration of the current scenario, the Group's Management, in response to the pandemic, does not expect to make significant changes to its business model, which will continue along the lines of innovation, competitiveness and the expansion of the product range and the strengthening of the current distribution channels; at the same time the growth objectives for external lines and for the efficiency of the operating structure remain confirmed.

Based on the results obtained to date by the Group and on the financial, managerial and operational indicators, the Management believes that, even in the presence of an uncertain global economic and financial context, there are no uncertainties about the business as a going concern, nor critical issues regarding the ability of the Group to meet its obligations.

With respect to the foreseeable evolution on operations, please refer to the specific chapter of this report.

Scope of consolidation

Compared to 31 December 2020 there are no changes in the scope; with reference to 30 September 2020 the company Agres Sistemas Eletrônicos SA is passed from an associate to a subsidiary, having increased the shareholding of Tecomec S.r.l. to 91% and the Swedish company Markusson Professional Grinders AB was consolidated in the first nine months of 2020 from January 31.

Comments on economic figures

Revenues from sales

The turnover of third quarter 2021 amounts to € 131,274 thousand, compared to € 112,397 thousand of the same period last year, an increase of 16.8%.

In the first nine months 2021 Emak Group achieved a consolidated turnover of € 464,238 thousand, compared to € 359,893 thousand of last year, an increase of 29%.

This increase is due to the organic growth for 27.7%, from change in the scope of consolidation for 3%, while it is penalized by the negative effect of translation changes for 1.7%.

It should be noted that the same period of 2020 had been partially impacted by the advent of the Covid-19 pandemic; however, even in comparison with the first nine months of 2019 there is a growth of 33.6% (on a like-for-like basis).

Growth was very consistent in all segments in which the Group operates (Outdoor Power Equipment, Pumps & High Pressure Water Jetting, Components & Accessories) concentrated above all in the Europe and Americas areas. In general, in the countries where it has a direct presence, the Group has increased its market shares.

The change in consumption habits resulting from the post Covid-19 context, as well as the improvement of the offer in terms of innovation and breadth of range, have certainly contributed to the increase in sales.

The Group was able to cope with the increase in demand thanks to the high flexibility of the operating structure, the extraordinary commitment of the entire organization, including the supply chain.

EBITDA

EBITDA of third quarter 2021 amounts to € 15,896 thousand, compared to € 13,852 thousand in the corresponding quarter of last year.

EBITDA for the first nine months of 2021 amounts to € 69,735 thousand (15% of revenues) compared to € 46,816 thousand (13% of revenues) in the corresponding period of previous year.

During nine months 2021, non-ordinary expenses were recorded for € 792 thousand (€ 724 thousand in 2020) and non-ordinary revenues for € 1,062 thousand (€ 26 thousand in 2020).

Ebitda before non-ordinary expenses and revenues is equal to € 69,465 thousand (15% of revenues) compared to € 47,514 thousand of the same period last year (13.2% of revenues).

The application of the IFRS 16 principle has resulted in a positive effect on the Ebitda of the first nine months 2021 for € 4,830 thousand, against a positive effect of € 4,669 thousand in the nine months 2020.

EBITDA for the nine months benefited from the significant increase in sales volumes; on the other hand, there was a slight contraction in margins in the last quarter resulting mainly from the generalized increase in the costs of raw materials and transports.

Personnel costs increased compared to the same period by € 11,484 thousand, mainly due to the greater recourse to the workforce to cope with the increase in production volumes. In the first nine months of 2020 social safety nets were used, activated during the lockdown period, for the Covid-19 emergency for an amount of € 1,480 thousand. The average number of resources employed by the Group, also considering temporary workers employed in the period and the different scope of consolidation, was 2,450 compared to 2,190 of the same period last year.

Operating result

Operating result of third quarter 2021 is equal to € 9,868 thousand, compared to € 8,179 thousand in the corresponding quarter of last year.

Operating result for the first nine months of 2021 is € 52,048 thousand, with an incidence of 11.2% on revenues compared to € 29,992 thousand (8.3% of revenues) in the corresponding period of previous year.

Depreciation and amortization are € 17,687 thousand compared to € 16,824 thousand in the same period of previous year.

Non-annualized operating result as a percentage of net capital employed is 13.8% compared to 8.6% of the same period of the previous year.

Net result

Net Profit of third quarter 2021 is equal to € 6,132 thousand compared to € 4,847 thousand of the same period last year.

Net Profit for the first nine months of 2021 is € 37,740 thousand, compared to € 15,759 thousand in the same period of previous year.

Currency management in the first nine months 2021 is positive for € 1,032 thousand, compared to a negative value of € 3,226 thousand for the same period. In the nine months, exchange rate management was positively affected by the revaluation of the US dollar against the euro which more than offset the negative performance of the Brazilian real against the US dollar, and in general of South American currencies.

In the first nine months 2020, the item "Income from/(expenses on) equity investment" included a capital loss deriving from the sale of 30% of the share capital of Cifarelli S.p.A. for an amount of € 1,389 thousand, occurred through the exercise of a put option on the minority investment held.

The effective tax rate is 24.3% against 28.5% in the same period of the previous year, which was negatively affected by the prudential failure to record deferred tax assets on tax losses by some Group companies. On the other hand, the tax rate, in the first nine months 2021, was positively affected by the accounting of deferred tax assets recorded for the benefits deriving from the tax realignment operations, pursuant to Legislative Decree. 104/2020, applied to the goodwill values of certain Italian subsidiaries.

It should be noted that, based on art. 160 of the State Budget Law for 2022, the economic effects resulting from the revaluation and realignment of brand values and goodwill, previously carried out pursuant to art. 110, Legislative Decree 104/2020, could be reduced or cancelled due to restrictions being introduced by the legislator.

In this regard, it should be noted that the EMAK group, with reference to brand values and goodwill, made use of the faculties of law and recognized deferred tax assets in the amount of € 1,536 thousand with an effect on the result for 2020 and an additional € 880 thousand, with effect on the result of the 2021 fraction, documented here.

The effects of the possible restrictions, not yet reached in a legislative text, will be considered by the company as soon as the legislation that provides them is fully defined and approved by the Chambers and after the board of directors of EMAK has taken a position on the various options offered by the legislation itself.

Comment to consolidated statement of financial position

31.12.2020	€/000	30.09.2021	30.09.2020
183,197	Net non-current assets (*)	189,361	176,183
165,655	Net working capital (*)	189,021	172,733
348,852	Total net capital employed (*)	378,382	348,916
220,137	Equity attributable to the Group	255,409	217,005
2,163	Equity attributable to non controlling interests	2,693	2,005
(126,552)	Net debt (*)	(120,280)	(129,906)

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

Net non-current assets

In the first nine months 2021 Emak Group invested € 12,280 thousand in property, plant and equipment and intangible assets, as follows:

- € 3,893 thousand for innovation, improvement and technological adaptation of products;
- € 4,541 thousand for adjustment of production capacity and for process innovation;
- € 1,871 thousand for upgrading the computer network system;
- € 951 thousand for modernization of industrial buildings;
- € 1,024 thousand for other investments in operating activities.

Investments broken down by geographical area are as follows:

- € 5,743 thousand in Italy;
- € 2,279 thousand in Europe;
- € 2,965 thousand in the Americas;
- € 1,293 thousand in Asia, Africa and Oceania.

Net working capital

Net working capital, compared to 31 December 2020, consistently with the seasonality of the business, increased by € 23,366 thousand, rising from € 165,655 thousand to € 189,021 thousand.

The following table shows the change in net working capital at 30 September 2021 compared with the same period of the previous year:

€/000	9M 2021	9M 2020
Net working capital at 01 January	165,655	171,478
Increase/(decrease) in inventories	20,928	(10,631)
Increase/(decrease) in trade receivables	16,960	7,102
(Increase)/decrease in trade payables	(2,397)	8,775
Change in scope of consolidation	-	592
Other changes	(12,125)	(4,583)
Net working capital at 30 September	189,021	172,733

Inventories have increased starting from the third quarter in preparation for the 2022 season and to cope with the persistence of criticalities on the supply chain and the consequent increase in delivery times.

Trade receivables have increased in line with the growth trend in turnover. There are no significant signs of deterioration in credit quality.

Net financial position

Net negative financial position amounts to € 120,280 thousand at 30 September 2021, compared to € 126,552 thousand at 31 December 2020.

The following table shows the movements in the net financial position in the first nine months 2021 compared with the same period last year:

€/000	9M 2021	9M 2020
Opening NFP	(126,552)	(146,935)
Ebitda	69,735	46,816
Financial income and expenses	(3,242)	(3,341)
Income from/(expenses on) equity investment	-	(1)
Exchange gains and losses	1,032	(3,226)
Income taxes	(12,098)	(6,276)
Cash flow from operations, excluding changes in operating assets and liabilities	55,427	33,972
Changes in operating assets and liabilities	(24,878)	(5,224)
Cash flow from operations	30,549	28,748
Changes in investments and disinvestments	(11,725)	(8,948)
Changes rights of use IFRS 16	(6,068)	(4,409)
Dividends cash out	(7,413)	-
Other equity changes	-	(4)
Changes from exchange rates and translation reserve	929	5,187
Change in scope of consolidation	-	(3,545)
Closing NFP	(120,280)	(129,906)

Cash flow from operations of the first nine months 2021 is equal to € 55,427 thousand compared to € 33,972 thousand in the same period of the previous financial year. "Income from/(expenses on) equity investment" at 30 September 2020 did not include the capital loss generated by the exercise of the Put option on the investment of 30% of Cifarelli S.p.A which was included in the item "changes in investments and divestments".

Cash flow from operations is positive for € 30,549 thousand compared to € 28,748 thousand in the same period of the previous financial year.

During 2021, the Group distributed dividends for an amount of € 7,413 thousand, while in the previous year, following the measures taken to manage liquidity risk, the Shareholders' Meeting resolved not to proceed with the distribution of dividends.

Details of the net financial position is analysed as follows:

(€/000)	30.09.2021	31.12.2020	30.09.2020
A. Cash	87,183	99,287	102,015
B. Cash equivalents	-	-	-
C. Other current financial assets	843	735	684
D. Liquidity funds (A+B+C)	88,026	100,022	102,699
E. Current financial debt	(15,637)	(16,319)	(25,501)
F. Current portion of non-current financial debt	(56,686)	(51,549)	(49,042)
G. Current financial indebtedness (E + F)	(72,323)	(67,868)	(74,543)
H. Net current financial indebtedness (G - D)	15,703	32,154	28,156
I. Non-current financial debt	(136,977)	(159,514)	(159,992)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I + J + K)	(136,977)	(159,514)	(159,992)
M. Total financial indebtedness (H + L) (ESMA)	(121,274)	(127,360)	(131,836)
N. Non current financial receivables	994	808	1,930
O. Net financial position (M-N)	(120,280)	(126,552)	(129,906)
Effect IFRS 16	30,834	28,874	30,343
Net financial position without effect IFRS 16	(89,446)	(97,678)	(99,563)

Net financial position at 30 September 2021 includes actualized financial liabilities related to the payment of future rental and rent payments, in application of IFRS 16 standard, equal to overall € 30,834 thousand, of which € 5,028 thousand falling due within 12 months while at 31 December 2020 they amounted to a total of € 28,874 thousand, of which € 4,816 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 2022;
- amounts due to other providers of finance falling due by 30 September 2022;
- debt for equity investments in the amount of € 2,717 thousand.

Financial liabilities for the purchase of the remaining minority shares are equal to € 6,158 thousand, of which € 3,441 thousand in the medium to long term, related to the following companies:

- Markusson for € 2,046 thousand;
- Agres for € 1,395 thousand;
- Valley LLP for € 2,717 thousand.

Equity

Total equity is equal to € 258,102 thousand against € 222,300 thousand at 31 December 2020.

Earnings per share at 30 September 2021 is equal to 0.227 Euro compared to Euro 0.095 Euro in the same period of previous year.

On April 29, 2021, 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, currently 397,233 in number. The operations will comply with the operating procedures provided for by the regulations in force.

During the first nine months of 2021 and up to the closing date of this document there were no movements in the purchase nor sale of treasury shares, leaving the balances at the beginning of the year unchanged.

Highlights of the consolidated financial statement broken down by operating segment for the first nine months 2021

	OUTDOOR POWER EQUIPMENT		PUMPS AND HIGH PRESSURE WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020
€/000										
Sales to third parties	162,963	123,927	180,581	144,997	120,694	90,969			464,238	359,893
Intersegment sales	275	494	2,259	1,888	7,905	6,763	(10,439)	(9,145)		
Revenues from sales	163,238	124,421	182,840	146,885	128,599	97,732	(10,439)	(9,145)	464,238	359,893
Ebitda	16,689	8,481	29,287	22,940	26,533	17,002	(2,774)	(1,607)	69,735	46,816
Ebitda/Total Revenues %	10.2%	6.8%	16.0%	15.6%	20.6%	17.4%			15.0%	13.0%
Ebitda before non ordinary expenses	16,762	8,830	28,677	23,006	26,800	17,285	(2,774)	(1,607)	69,465	47,514
Ebitda before non ordinary expenses/Total Revenues %	10.3%	7.1%	15.7%	15.7%	20.8%	17.7%			15.0%	13.2%
Operating result	10,616	2,739	23,665	16,951	20,541	11,909	(2,774)	(1,607)	52,048	29,992
Operating result/Total Revenues %	6.5%	2.2%	12.9%	11.5%	16.0%	12.2%			11.2%	8.3%
Net financial expenses (1)									(2,210)	(7,957)
Profit before taxes									49,838	22,035
Income taxes									(12,098)	(6,276)
Net profit									37,740	15,759
Net profit/Total Revenues%									8.1%	4.4%
(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	30.09.2021	31.12.2020	30.09.2021	31.12.2020	30.09.2021	31.12.2020	30.09.2021	31.12.2020	30.09.2021	31.12.2020
Net debt	145	10,780	89,399	87,031	30,848	28,741	(112)	0	120,280	126,552
Shareholders' Equity	187,788	178,820	81,519	66,031	66,413	55,096	(77,618)	(77,647)	258,102	222,300
Total Shareholders' Equity and Net debt	187,933	189,600	170,918	153,062	97,261	83,837	(77,730)	(77,647)	378,382	348,852
Net non-current assets (2)	128,252	130,336	88,906	86,970	47,688	41,397	(75,485)	(75,506)	189,361	183,197
Net working capital	59,681	59,264	82,012	66,092	49,573	42,440	(2,245)	(2,141)	189,021	165,655
Total net capital employed	187,933	189,600	170,918	153,062	97,261	83,837	(77,730)	(77,647)	378,382	348,852
(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	30.09.2021	31.12.2020	30.09.2021	31.12.2020	30.09.2021	31.12.2020	30.09.2021	31.12.2020	30.09.2021	31.12.2020
Number of employees at period end	762	738	818	777	620	613		8	8	2,208
										2,136
OTHER INFORMATIONS	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Amortization, depreciation and impairment losses	6,073	5,742	5,622	5,989	5,992	5,093			17,687	16,824
Investment in property, plant and equipment and in intangible assets	2,899	3,457	3,036	2,259	6,345	6,446			12,280	12,162

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 2021 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 2021	3Q 2020	Var. %	3Q 2021	3Q 2020	Var. %	3Q 2021	3Q 2020	Var. %	3Q 2021	3Q 2020	Var. %
Europe	37,306	31,331	19.1	27,218	23,463	16.0	16,670	15,630	6.7	81,194	70,424	15.3
Americas	2,199	1,717	28.1	17,383	16,126	7.8	13,629	8,094	68.4	33,211	25,937	28.0
Asia, Africa and Oceania	5,292	5,837	(9.3)	7,330	6,085	20.5	4,247	4,114	3.2	16,869	16,036	5.2
Total	44,797	38,885	15.2	51,931	45,674	13.7	34,546	27,838	24.1	131,274	112,397	16.8

Turnover of the first nine months:

	OUTDOOR POWER EQUIPMENT			PUMPS AND HIGH PRESSURE WATER JETTING			COMPONENTS AND ACCESSORIES			CONSOLIDATED		
	9M 2021	9M 2020	Var. %	9M 2021	9M 2020	Var. %	9M 2021	9M 2020	Var. %	9M 2021	9M 2020	Var. %
Europe	140,148	103,947	34.8	98,694	75,426	30.8	65,360	53,218	22.8	304,202	232,591	30.8
Americas	7,039	4,434	58.8	58,509	51,405	13.8	39,704	25,764	54.1	105,252	81,603	29.0
Asia, Africa and Oceania	15,776	15,546	1.5	23,378	18,166	28.7	15,630	11,987	30.4	54,784	45,699	19.9
Total	162,963	123,927	31.5	180,581	144,997	24.5	120,694	90,969	32.7	464,238	359,893	29.0

Outdoor Power Equipment

Sales in Europe recorded significant growth, with particular reference to the Italian, French and Polish markets. In the Americas area, the increase in sales was generalized, with significant growth in the markets of Latin America. Sales in Asia, Africa and Oceania were up in particular in the Far East and China areas, while there was a slowdown in the Turkish market in the third quarter.

EBITDA for the nine months is equal to € 16,689 thousand, an increase of 96.8% compared to 30 September 2020 thanks to the operating leverage generated by the increase in sales, the commercial policies implemented, together with a favourable product and market mix.

Net negative financial position is equal to € 145 thousand, an improvement compared to € 10,780 thousand at 31 December 2020 and € 16,594 thousand at September 30, 2020, mainly thanks to the cash flows from operations.

Pumps and High Pressure Water Jetting

Sales in Europe showed significant growth, driven by the Italian, French, Polish, Spanish, British and Russian markets. Sales through the on-line channel continued to rise sharply.

The good performance of revenues in the Americas area is attributable to the US and Brazilian subsidiaries as well as the good performance on the Chilean market.

Revenues from the Asia, Africa and Oceania area are growing mainly in the China, Far East and Oceania areas.

EBITDA for the nine months amounted to € 29,287 thousand, an increase of 27.7% compared to 30 September 2020, thanks to the operating leverage effect generated by the strong growth in turnover, partially mitigated by the effect of the increase in the costs of raw materials and transport, which increased in the second half of the year and were partially recovered from actions to increase sales prices.

The nine months of 2021 benefited from the extraordinary income booked, against the reversal of the loan for an equivalent value of € 613 thousand, by the subsidiary Valley (USA) and recorded under non-recurring income, the request for which was initiated in 2020 as support for the Covid-19 pandemic.

Net negative financial position of € 89,399 thousand is up compared to € 87,031 thousand at 31 December 2020 following the increase in net working capital due to the increase in turnover over the nine months and the seasonality of the business.

Components and Accessories

Sales growth in Europe is attributable to higher sales achieved in all product lines, in particular by the Italian, French and Swedish companies.

In the Americas area, strong growth is recorded thanks to the performance of the subsidiaries that produce and distribute directly on the market, as well as the contribution deriving from the consolidation of the Brazilian company Agres.

The strong growth in Asia, Africa and Oceania is attributable to higher sales in the Chinese and Australian markets.

EBITDA for the nine months of 2021, equal to € 26,533 thousand, up by 56.1% compared to 30 September 2020, benefited from the increase in sales volumes and the change in the scope of consolidation.

The increase in the net negative financial position, equal to € 30,848 thousand, compared to the end of the 2020 financial year, is attributable to the increase in net working capital linked to the growth in turnover and the seasonality of the business.

Business outlook

The demand continues to be strong, with the month of October growing by about 9% compared to the same period of last year and by about 30% compared to the same month of 2019. The order book is also higher than the average of the period sustained by a situation of relatively low stocks in the distribution networks.

This makes it possible to position the expected turnover at the end of the year in the upper part of the previously communicated guidance which envisaged growth in a range between 17% and 21%.

The gradual intervention on the sales price lists applied in recent months has largely offset the impact of the increase in the cost of raw materials, components and transport; the leverage effect generated by the strong growth in turnover still leads to an improvement in the EBITDA margin at the end of the year estimated to grow by around 150 basis points.

As regards 2022, visibility remains positive for the first part of the year, despite the persistence of risks associated with the supply chain. The decision to keep stocks higher than the average for the period is aimed at mitigating this risk.

Subsequent events

There are no events to report, except for the evolution relating to the acquisition of the company Poli S.r.l., as described in the specific paragraph of the notes.

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 income and expenses:** 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 of capital gains / losses on the realization of consolidated investments in equity.
- **NET WORKING CAPITAL:** include items "Trade receivables", "Inventories", current non financial "other receivables" net of "Trade payables" and current non financial "other payables".
- **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 28 April 2021).

Consolidated financial statements

Consolidated Income Statement

Thousand of Euro

Year 2020	CONSOLIDATED INCOME STATEMENT	3 Q 2021	3 Q 2020	9 months 2021	9 months 2020
469,778	Revenues from sales	131,274	112,397	464,238	359,893
4,152	Other operating incomes	1,525	1,082	3,676	2,178
9,996	Change in inventories	13,741	533	18,210	(5,246)
(258,006)	Raw materials, consumables and goods	(81,668)	(60,098)	(261,866)	(186,605)
(84,588)	Personnel expenses	(22,371)	(19,851)	(72,690)	(61,206)
(85,698)	Other operating costs and provisions	(26,605)	(20,211)	(81,833)	(62,198)
(22,692)	Amortization, depreciation and impairment losses	(6,028)	(5,673)	(17,687)	(16,824)
32,942	Operating result	9,868	8,179	52,048	29,992
727	Financial income	74	63	440	224
(5,164)	Financial expenses	(801)	(1,036)	(3,682)	(3,565)
(3,547)	Exchange gains and losses	(697)	(997)	1,032	(3,226)
(2,144)	Income from/(expenses on) equity investment	-	123	-	(1,390)
22,814	Profit before taxes	8,444	6,332	49,838	22,035
(3,202)	Income taxes	(2,312)	(1,485)	(12,098)	(6,276)
19,612	Net profit (A)	6,132	4,847	37,740	15,759
(312)	(Profit)/loss attributable to non controlling interests	(63)	(88)	(540)	(183)
19,300	Net profit attributable to the Group	6,069	4,759	37,200	15,576
0.118	Basic earnings per share	0.037	0.029	0.227	0.095
0.118	Diluted earnings per share	0.037	0.029	0.227	0.095

Year 2020	CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	9 months 2021	9 months 2020
19,612	Net profit (A)	37,740	15,759
(8,787)	Profits/(losses) deriving from the conversion of foreign company accounts	5,475	(8,277)
(64)	Actuarial profits/(losses) deriving from defined benefit plans (*)	-	-
18	Income taxes on OCI (*)	-	-
(8,833)	Total other components to be included in the comprehensive income statement (B)	5,475	(8,277)
10,779	Total comprehensive income for the period (A)+(B)	43,215	7,482
(147)	Comprehensive net profit attributable to non controlling interests	(584)	28
10,632	Comprehensive net profit attributable to the Group	42,631	7,510

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

Statement of consolidated financial position

Thousand of Euro

31.12.2020	ASSETS	30.09.2021	30.09.2020
	Non-current assets		
76,409	Property, plant and equipment	77,486	75,459
23,069	Intangible assets	21,919	20,947
27,925	Rights of use	29,781	29,551
67,464	Goodwill	68,523	61,061
8	Equity investments in other companies	8	8
-	Equity investments in associates	-	2,971
9,063	Deferred tax assets	9,987	8,310
808	Other financial assets	994	1,930
57	Other assets	58	57
204,803	Total non-current assets	208,756	200,294
	Current assets		
163,602	Inventories	184,530	148,143
111,082	Trade and other receivables	128,043	112,949
7,516	Current tax receivables	7,212	5,164
229	Other financial assets	55	186
506	Derivative financial instruments	788	498
99,287	Cash and cash equivalents	87,183	102,015
382,222	Total current assets	407,811	368,955
587,025	TOTAL ASSETS	616,567	569,249

31.12.2020	SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.2021	30.09.2020
	Shareholders' Equity		
220,137	Shareholders' Equity of the Group	255,409	217,005
2,163	Non-controlling interests	2,693	2,005
222,300	Total Shareholders' Equity	258,102	219,010
	Non-current liabilities		
135,456	Loans and borrowings due to banks and other lenders	111,171	134,596
24,058	Liabilities for leasing	25,806	25,396
6,465	Deferred tax liabilities	6,423	7,988
7,608	Employee benefits	7,454	7,873
2,382	Provisions for risks and charges	2,487	2,343
4,343	Other non-current liabilities	2,036	3,976
180,312	Total non-current liabilities	155,377	182,172
	Current liabilities		
110,554	Trade and other payables	120,914	86,872
4,764	Current tax liabilities	8,209	5,346
62,032	Loans and borrowings due to banks and other lenders	66,795	68,709
4,816	Liabilities for leasing	5,028	4,947
1,020	Derivative financial instruments	500	887
1,227	Provisions for risks and charges	1,642	1,306
184,413	Total current liabilities	203,088	168,067
587,025	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	616,567	569,249

Statement of changes in consolidated equity for the Emak Group at 31.12.2020 and at 30.09.2021

Thousand of Euro	SHARE CAPITAL	SHARE PREMIUM	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 31.12.2019	42,519	40,529	3,489	1,138	733	(1,274)	31,702	77,710	12,949	209,495	2,037	211,532
Profit reclassification			122					12,827	(12,949)	-	(4)	(4)
Other changes		(941)		3,215				(2,264)		10	(17)	(7)
Net profit for the period					(8,622)	(46)			19,300	10,632	147	10,779
Balance at 31.12.2020	42,519	39,588	3,611	4,353	(7,889)	(1,320)	31,702	88,273	19,300	220,137	2,163	222,300
Profit reclassification			138				184	11,619	(19,300)	(7,359)	(54)	(7,413)
Other changes										-	-	-
Net profit for the period					5,431				37,200	42,631	584	43,215
Balance at 30.09.2021	42,519	39,588	3,749	4,353	(2,458)	(1,320)	31,886	99,892	37,200	255,409	2,693	258,102

The share capital is shown net of the nominal value of treasury shares in the portfolio amounted to € 104 thousand
 The share premium reserve is stated net of the premium value of treasury shares amounting to € 1,925 thousand

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 2020, 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:

31.12.2020	Amount of foreign for 1 Euro	Average 9 M 2021	30.09.2021	Average 9 M 2020	30.09.2020
0.90	GB Pounds (UK)	0.86	0.86	0.89	0.91
8.02	Renminbi (China)	7.74	7.48	7.87	7.97
1.23	Dollar (Usa)	1.20	1.16	1.13	1.17
4.56	Zloty (Poland)	4.55	4.62	4.42	4.55
18.02	Zar (South Africa)	17.42	17.56	18.81	19.71
34.77	Uah (Ukraine)	32.86	30.79	29.88	33.16
6.37	Real (Brazil)	6.38	6.26	5.71	6.63
10.92	Dirham (Morocco)	10.68	10.48	10.81	10.83
24.42	Mexican Pesos (Mexico)	24.08	23.74	24.52	26.18
872.52	Chilean Pesos (Chile)	882.54	937.41	901.52	920.47
10.03	Swedish krona (Sweden)	10.15	10.17	10.56	10.57

Significant, non-recurring transactions or atypical, unusual transactions

Acquisition of Poli S.r.l

On 28 June 2021 the subsidiary Comet S.p.A. has signed a binding agreement for the purchase of control of Poli S.r.l., a company based in Colorno (PR), active in the production and marketing of sweepers.

The company achieved sales in 2020 of around € 4 million, a normalized EBITDA of around 24%, with positive cash flow of around € 2 million.

On 4 October 2021, Comet S.p.A. completed the acquisition of 80% of the company at an initial price of € 5.7 million, including cash of approximately € 2 million, and will be subject to adjustment based on the results of Poli S.r.l. as of December 31, 2021.

On the remaining 20% stake, which will be held by the founder of the company, put and call options have been agreed with expiry starting from the third and within the fifth year of closing.

With this operation, the Group acquires specific know-how that integrates perfectly into its range and expands its cleaning catalogue, further strengthening its position as a key supplier in the sector.

Realignment of the tax values of certain intangible assets to the corresponding book values

During the first semester 2021, the Boards of Directors of the companies Tecomec s.r.l., Comet s.p.a. and PTC s.r.l. resolved to take advantage of the opportunity, offered by recent legislation, of realigning the tax value to the book value for certain goodwill values shown in their respective financial statements, which were originally not fiscally recognized.

The realignment, for a total amount of € 3,441,219, will be subject to an option pursuant to art. 110, D.L. 104/2020, converted into law no. 126/2020, as supplemented by art. 1, paragraph 83, l. 178/2020, and will result in the liquidation of substitute taxes for a total of € 103,237.

The realignment entails, in accordance with the law, in the affixing of a restriction on net equity reserves for a total of € 3,337,982, as illustrated in the following table.

€				
Company	Realigned value	Substitutive tax	Realignment reserve	Reserve used
TECOMEC s.r.l.	1,069,656	32,090	1,037,566	Extraordinary reserve
COMET s.p.a.	1,973,344	59,200	1,914,144	Extraordinary reserve
PTC s.r.l.	398,219	11,947	386,272	Retained earnings reserve
TOTAL	3,441,219	103,237	3,337,982	

Please note that any distribution of the realignment reserve pursuant to art. 110, Legislative Decree 104/2020 is subject to the procedures provided for by art. 2445 of the Italian Civil Code and involves the taxation of the same both for the company and for the recipient shareholder.

Reference is made to what is specified above, in relation to the tax rate, in the paragraph "Net result" on page. 8.

Bagnolo in Piano (RE), November 12, 2021

On behalf of the Board of Directors

The Chairman

Fausto Bellamico

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., Aimone Burani, 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 2021, examined and approved today by the Board of Directors of the company, corresponds with the accounting documents, ledgers and records.

In fede
Bagnolo in Piano (RE), November 12,2021

Aimone Burani
Executive in charge
of preparing the accounting statements