our power, your passion

HALF YEAR REPORT AT 30 JUNE 2024

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Emak
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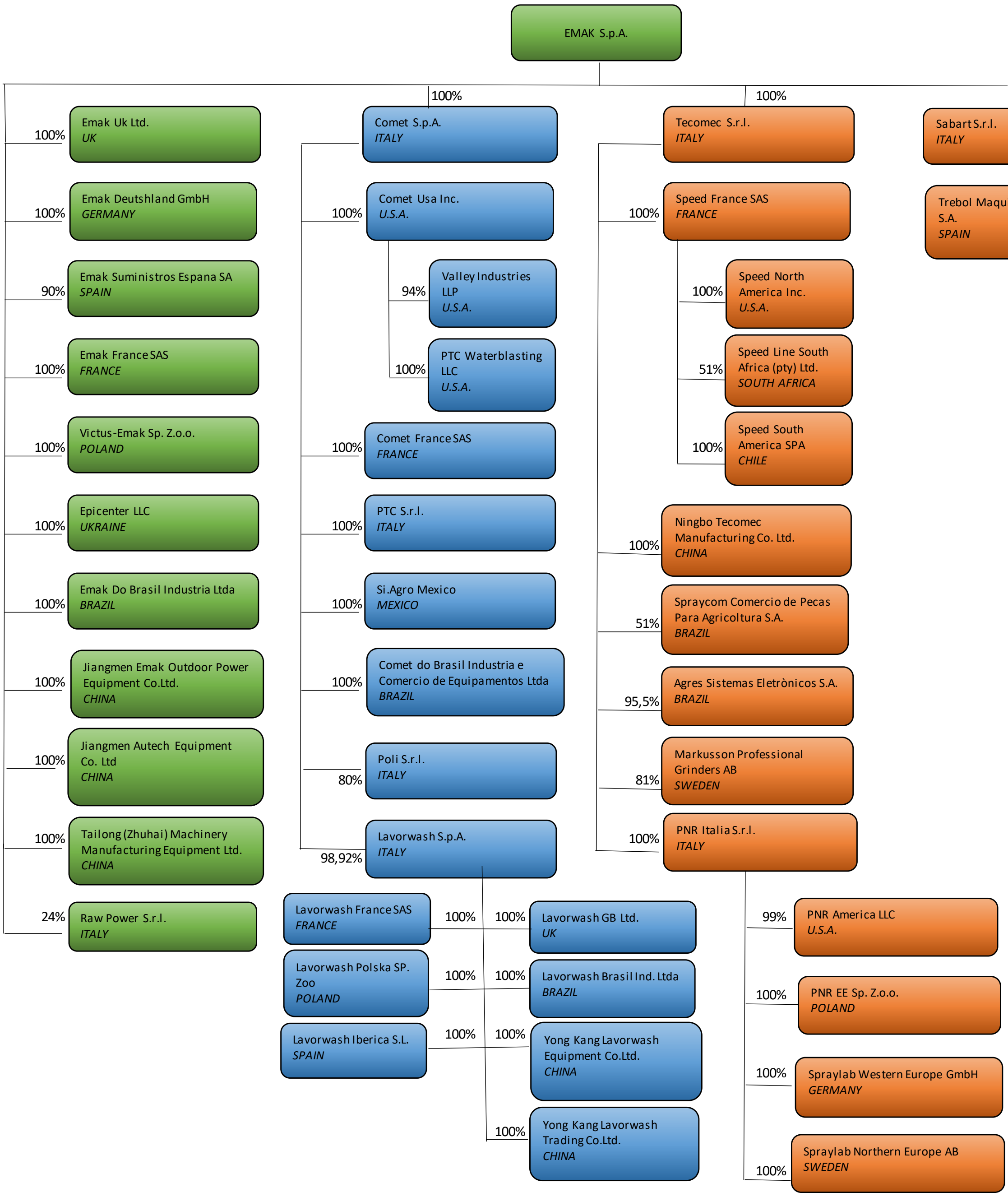
Organizational chart of Emak Group as of 30 June 2024



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 6%.
2. 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.
3. Emak do Brasil is owned for 99.99% by Emak S.p.A. and 0.01% by Comet do Brasil Industria e Comercio de Equipamentos Ltda.
4. 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.
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 19%.
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 4.5%.
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 Ptc Waterblasting LLC 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 Director	Silvia Grappi
	Elena Iotti
	Alessandra Lanza
Directors	Francesca Baldi
	Ariello Bartoli
	Paola Becchi
	Giuliano Ferrari
	Marzia Salsapariglia
	Vilmo Spaggiari
	Paolo Zambelli
Risk Control and Sustainability Committee; Remuneration Committee, Related Party Transactions Committee, Nomination Committee	
Chairman	Elena Iotti
Components	Alessandra Lanza
	Silvia Grappi
Manager in charge of preparing the accounting statements	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 shareholders of Emak S.p.A.

The share capital of Emak S.p.A. is represented by 163,934,835 shares with a par value of 0.26 euros per share.
The Company has been listed on the Milan Stock Exchange since June 25, 1998. Since September 2001 the stock has been included in the Euronext Segment of Equities with High Requirements (STAR).

At the closing date of June 30, 2024 on the basis of notifications received pursuant to Article 120 of Legislative Decree 58/1998, only Yama S.p.A., with 65.2%, is the owner of a stake of more than 5% of the share capital.

Emak Group Profile

The Group operates on the global market with a direct presence in 15 countries and a distribution network covering 5 continents.

The Group offers a wide range of products with recognised trademarks and refers to a target clientele highly diversified into three business segments:

- Outdoor Power Equipment (OPE): Emak S.p.A. and its commercial and productive subsidiaries operates in this segment;
- Pumps and Water Jetting (PWJ): this segment is managed by Comet S.p.A. and its subsidiaries, including Lavorwash S.p.A.;
- Components and Accessories (C&A): this segment is managed by Tecomec S.r.l., Sabart S.r.l. and their subsidiaries.

Outdoor Power Equipment (30% of total Group sales)
The ***Outdoor Power Equipment*** segment is involved in the development, manufacture and marketing of products for gardening and forestry activity and small machines for agriculture, such as brushcutters, lawnmowers, tractors, chainsaws and motor hoes. The Group is a leader in the European market, in which it operates with sales branches in the major markets, and is supported by a vast network of independent importers in the remaining ones. At global level, the Group has a network of 150 distributors in over 115 countries. Given the technical contents of the products, sales are mainly made through the network of specialised distributors, characterised by a high-level pre- and after-sales service, while the mass retail channel is used only in a few countries. Online sales occur through a dedicated proprietary portal, agreements with sector market places and through platforms developed by its network of distributors.
The Group distributes its products under the main brands Oleo-Mac, Efco, Bertolini, Nibbi and, only for the French market, Staub. The Group's offer is aimed mostly at private users and a residual part at professionals. In this sector the Group concentrates its resources on product innovation (electrification and the development of clean motors, safety and comfort) and process innovation, on the strengthening of its market position and on the penetration of new markets with a high potential for development.
Demand in the sector is generally linked to the economic trend and to users' available income. The sales trend, finally, depends on the weather: over the year, in fact, the business has a seasonality that is heavily weighted in the first half of the year; a spring season with a more or less favourable climate can lead to a different trend in the demand for gardening products.

Pumps and Water Jetting (43% of total Group sales)
The Pumps and Water Jetting segment brings together the development, manufacturing and marketing of three product lines: (i) agriculture (around 41% of the segment turnover), a complete range of centrifugal pumps, diaphragm pumps, piston pumps, sprayers and products for irrigating and weeding; (ii) industry (around 21% of the segment turnover), with a complete range of pumps at low and high pressure (up to 2,800 bars), hydrodynamic units (so-called installations) and accessories for water blasting and machines for urban cleaning; (iii) washing or cleaning (around 38% of the segment turnover), with a complete offer of pressure washers, for domestic and professional use, floor washing-drying machines and vacuum cleaners. The Group markets its products with the Comet, HPP, Lemasa, PTC Waterjetting Equipment, PTC Urban Cleaning Equipment, Lavor, Poli, Valley and Bestway brands. Distribution of the products occurs through its sales branches and independent distributors in over 130 countries throughout the world. The type of clientele and sales channel varies depending on the products: the agriculture line is sold to manufacturers of spraying and weeding machines, directly to final users (mainly farmers) or through a network of specialised dealers and importers; the range for industry is sold to manufacturers of pressure washers and hydrodynamic units, to

contractors/users of the complete system or through specialized dealers; the cleaning line is sold through specialized dealers, mass retail, online and to contractors.
In this sector, the Group focuses its activities on product innovation, the extension of its offer, both in terms of product and sectors of use, besides on the maximization of the synergies deriving from acquisitions made over the years.
Demand for agriculture and industry products is generally linked to the trend in the different sectors/fields of application; the one for washing products is mainly related to the economic cycle trend, people’s available income and any increase in hygiene standards.

Components&Accessories (27% of total Group sales)
The Components and Accessories segment is related to the development, manufacture and marketing of products intended for the outdoor power equipment sector (equal to around 55% of the segment turnover), agriculture (equal to around 25% of the segment turnover) and washing (equal to around 20% of the segment turnover). Within the wide offer range, the most representative products are wire and heads for brushcutters (which together compose the cutting system); chain sharpeners for chainsaws; guns, valves and nozzles for pressure washers for industrial washing and for agricultural applications; precision products and solutions for agriculture (precision farming). In this segment, the Group operates partly through its own Tecomec, Geoline, Agres, Mecline, Markusson, Sabart and Trebol brands, and partly supplying products with third-party brands. The Group serves the major manufacturers of machines for gardening, agriculture and cleaning, through a network of specialised distributors and has consolidated relationships with the largest mass retail chains.
In this sector, the Group focuses its resources on product innovation, on the strengthening of its partnerships with leading manufacturers and on the extension of its offer.
Demand for the products of this segment follows the trends of the other businesses in which the Group operates. In the world of Outdoor power equipment, the weather and the available income of final users can influence the sales of machines and their use, contributing to the sale of products for original equipment and for spare parts respectively. In the agricultural and washing sectors, the raw materials trend, government policies and the general economic situation can influence the levels of investment of market operators.

Intermediate Directors Report at 30 June 2024

Main strategic lines of action

The main goal of the Emak Group is the creation of value for its stakeholders, through sustainable growth.

In order to achieve this objective, the Group focuses on:

1. Innovation, in relation to both product and process. In a dynamic and competitive scenario likes the one in which it operates, the Group pays great attention to the development of its own range of products, in terms of both extension and evolution. Research and development are focused on the reduction of the products' environmental impact through new technologies (range electrification), reduction in the emissions of endothermic motors and the use of recycled materials. A further line of development is the extension of applications and of the sectors of use of its products (e.g., industrial pumps in agriculture). With regards to processes, drivers of innovation relate to methodological research and digitalisation aimed at improving the efficiency of internal processes.
2. Distribution, considered, on the one hand, as the strengthening of its position in the distribution network and, on the other hand, as business growth achieved in high-potential markets, in order to obtain the right balance of distribution in different geographical areas.
3. Efficiency, considered as continuous improvement in its processes and in the management of its activities, aimed at the generation of resources to be allocated to the Group's medium and long-term development initiatives.
4. Acquisitions, considered as growth by external means, to strengthen the businesses with greater profitability, increase the weight of sectors characterised by greater resilience and medium/long-term stability, re-equilibrate the weight of reference markets at geographical level, and, finally, acquire new know-how and complete product ranges.

Policy of analysis and management of risks related to the Group's business

The Group and its subsidiaries have an internal control system that is considered by the Board of Directors of Emak to be appropriate for the size and nature of the activity carried out, suitable for effectively overseeing the main risk areas typical of the activity, aimed at contribute to the sustainable success of the Group.

In fact, as part of the formalization of strategic plans, the Board of Directors of Emak takes into consideration the nature and level of risk compatible with the strategic objectives of the Issuer and, in this regard, has adopted a system of internal control consisting of the set of rules, resources, processes and procedures that aim to ensure:
- the containment of risk within the limits compatible with sustainable management of the business activity;
- the safeguarding of the value of the assets;
- the effectiveness and efficiency of business processes;
- the reliability and security of company information and IT procedures;
- the compliance of company operations with the law, policies, regulations and internal procedures.

Consequently, within the Group the following have been defined:
- the behaviors to keep;
- the assignment and separation of duties;
- the organizational dependencies;
- the responsibilities and levels of autonomy;
- the operating instructions;
- the controls to be applied within the activities.

As part of its industrial activity, the Group is exposed to a series of risks, the identification, assessment and management of which are assigned to Managing Directors, also in the role of Executives Directors appointed pursuant to the self-regulatory Corporate Governance Code of Borsa Italiana S.p.A., to business area managers and the Risk Control and Sustainability Committee.

The Directors responsible for the internal control system oversee the risk management process by implementing the guidelines defined by the Board of Directors in relation to risk management and by verifying their adequacy.

In order to prevent and manage the most significant risks of a strategic nature, of Compliance and of fairness of financial information, the Group has tools for mapping and managing the various types of risks, also through an assessment of the economic and financial impacts and the probability of occurrence.

As part of this process, different types of risk are classified on the basis of the assessment of their impact on the achievement of the strategic objectives, that is to say, on the basis of the consequences that the occurrence of the risk may have in terms of compromised operating or financial performance, or of compliance with laws and/or regulations.

On the website www.emakgroup.com is published The Corporate Governance report prepared in accordance with the provisions of Art. 123-bis, Legislative Decree 58/98 which analytically describes the corporate governance structure of the group and the practices applied in terms of the Internal Control System and risk management.

In relation to the main risks, highlighted below, the Group constantly pays attention to and monitors the situations and developments in macroeconomic, market and demand trends in order to be able to implement any necessary and timely strategic assessments.

The main strategic-operating risks to which the Group is subject are:

Competition and market trends
The Group operates on a global scale, in a sector characterized by a high level of competition and in which sales are concentrated mainly in mature markets with moderate or low rates of growth in demand.
Performances are closely correlated to factors such as the level of prices, product quality, trademarks and technology, which define the competitive positioning of operators on the market. The competitive position of the Group, which compares with global players that often have greater financial resources as well as greater diversification in terms of geography, makes particularly significant the exposure to risks typically associated with market competitiveness.
The Group mitigates the country risk by adopting a business diversification policy by product and geographic area, such as to allow risk balancing.
The Group also constantly monitors the positioning of its competitors in order to intercept any impacts on its commercial offer.
In order to reduce the risk of saturation of the segments / markets in which it operates, the Group is progressively expanding its product range, also paying attention to "price sensitive" segments.

Risks associated with consumer purchasing behavior
Over the last few years, trends have emerged such as for example e-commerce and technologies which could have, in the medium to long term, a significant impact on the market in which the Group operates. The ability to grasp the emerging expectations and needs of consumers is therefore an essential element for maintaining the Group's competitive position.
The Group seeks to capture emerging market trends to renew its range of products and adapt its value proposition based on consumer purchasing behaviour.

Geopolitical risk and international expansion strategy
The Group operates in an increasingly complex international context, in which local tensions and conflicts cause effects at global level, increasingly influencing the economic performance of companies. In addition, the Group’s strategies, aimed at increasing business also in emerging countries, more subject to sudden socio-economic and regulatory changes (e.g., tariffs), could influence results in a more significant way compared to the past.

The breakout of the conflict between Ukraine and Russia, followed by the more recent conflict in the Middle East in the fall of 2023, has had and will have significant repercussions on the variables that determine the performances of businesses, notably the prices of raw materials, transportation costs, energy costs, exchange rates, consumption trends, inflation rate trends and, consequently, interest rates, making the indicators and fundamentals of the economy increasingly volatile and unpredictable; some markets (Russia and Belarus) are subject to economic sanctions that limit their access to the global market.

Emak constantly monitors the evolution of the of the socio-political situation of the various countries in which it operates, seeking to diversify end markets and supply markets, adopting operating flexibility solutions (adequate inventories, adjustment of sales prices, etc.) aimed at promptly dealing with very rapid and unexpected changes in contexts.

The Group, in the context of external growth, implements and coordinates M&A activities in all respects in order to mitigate the risks.

Demand variability following weather conditions
Weather conditions may impact on the sales of certain product families. Generally, weather conditions characterized by drought can cause contractions in the sale of gardening products such as lawnmowers and garden tractors, while winters with mild climate adversely affect sales of chainsaws. The Group is able to respond quickly to changes in demand by leveraging on flexible production.

Technological products evolution
The Group operates in sectors where product innovation represents an important driver for the maintenance and growth of its market share.
The Group actively monitors regulatory requirements introduced in outlet countries in order to anticipate technological innovations and place compliant products on the market.
The Group responds to this risk with continuous investment in research and development and in the use of appropriate skills in order to continue to offer innovative and competitive products and adapt supply to the current and future needs of the market.

Customers performances
The Group’s results are influenced by the actions of a number of large customers, with which there are no agreements involving minimum purchase quantities. As a result, the demand of such customers for fixed volumes of products cannot be guaranteed and it is impossible to rule out that a loss of important customers or the reduction of orders made by them could have negative effects on the Group’s economic and financial results.
Over the last few years, the Group has increasingly implemented a policy of diversifying customers.

Raw material and components price trend
The Group’s economic results are influenced by the trend in the price of raw materials and components. The main raw materials used are copper, steel, aluminium, and plastic materials. Their prices can fluctuate significantly during the year since they are linked to official commodity prices on the reference markets.
The Group does not use raw material price hedging instruments but mitigates risk through supply contracts.

Risks associated with the supply chain and the availability of raw materials
A delay/blocking of deliveries or problems relating to quality with respect to a supplier can adversely affect the production of finished products. Although the Group does not use raw materials which are difficult to obtain and has always managed to ensure a supply of adequate quantity and quality it is not possible to exclude that the occurrence of possible further supply tensions could lead to procurement difficulties. The Group adopts a strategy of supply diversification specifically with the aim of minimizing the risks linked to a potential unavailability of raw materials in the times required by production.
In addition, the Group has created a system for monitoring the economic-financial performance of suppliers in order to mitigate the risks inherent in any supply interruptions and has set up a management of relations with suppliers that guarantee supply flexibility and quality in line with the Group’s policies.

Environment, Health and Safety management
The Group is exposed to risks associated with health and safety at work and the environment, which could involve the occurrence work-related accidents and illness, environmental pollution phenomena or the failed compliance of specific legal regulations. The risks associated with such phenomena may lead to penal or administrative sanctions or pecuniary disbursements against the Group. The Group manages these types of risks through a system of procedures aimed the systematic control of risk factors as well as to their reduction within acceptable limits. All this is organized by implementing different management systems required by the standards of different countries and international standards of reference.

Risks associated with dependence on key figures
The Group’s results also depend on the ability of its management, which has a decisive role for the Group’s development and which boasts significant experience in the sector. Should the relationship in force with a

number of these professional figures be interrupted without a timely and suitable replacement, the Group's competitive capacity and its relative growth prospects could be affected.
The Group has an operating and management structure able to ensure business continuity, also through the adoption of retention plans for key professional figures, as well as initiatives aimed at developing skills and retaining talent.

Liability to customers and third parties
The Group is exposed to potential liability risks towards customers or third parties in relation to product liability due to possible design and/or manufacturing defects in the Group's products, also attributable to third parties such as suppliers and assemblers. Moreover, in the event that products are defective or do not meet technical and legal specifications, the Group, also by order of control authorities, could be obliged to withdraw such products from the market. In order to manage and reduce these risks, the Group has entered into a master group insurance coverage that minimizes risks only to insurance deductibles.

Risks associated with the recoverability of assets, in particular goodwill
As part of the development strategy, the Group has implemented acquisitions of companies that have enabled it to increase its presence on the market and seize growth opportunities. With reference to these investments, specified in the financial statements as goodwill, there is no guarantee that the Group will be able to reach the benefits initially expected from these operations. The Group continuously monitors the performance against the expected plans, putting in place the necessary corrective actions if there are unfavourable trends which, when assessing the congruity of the values recorded in the financial statements, lead to significant changes in the expected cash flows used for the impairment tests.

Climate Change
Climate change carries with it two types of risk: (i) transition and (ii) physical.
Transition risks derive from the transition towards a low carbon and climate-resilient economy to meet climate change mitigation and adaptation requirements (policy, legal, technological, market and reputational risks). The main transition risks include, by way of example and not in exhaustive terms: transfer to alternative energy sources; electrification of buildings and industrial activities; technological change; change in consumer preferences towards more sustainable products; carbon pricing.
Physical risks derive from the physical effects of climate change (acute and chronic) and can have financial implications for organizations.

Management carries out assessments regarding the impacts on business activities of risks linked to climate change, both regarding the transitional and physical types. Within its Enterprise Risk Management model, the main risks associated with climate change have been mapped, figures responsible for their monitoring have been identified and initiatives to combat any negative impacts have been implemented. The model, as a living management tool for Group activities, is periodically updated by the Risk Management department, shared with the Control, Risks and Sustainability Committee and, finally, subject to examination by the Board of Directors. It should be noted that in the drawing up of its industrial plans, the Group formalizes specific sections dedicated to the risks associated with climate change in which the planned initiatives are set out and, where the data is available, the expected investments, costs and revenues are quantified for the planned initiatives. To date, on the basis of the analyses performed and on the nature of the Group's activities, particular attention is focused on the mitigation of transition risks, considered those with the greatest potential impact. In the Management's view, on the basis of prospectively observable information, said risks can have impacts mainly on the Outdoor Power Equipment segment, which represents 30% of Group revenues.

Transition risks are managed inside the Group in day-to-day business activities. The regulatory evolution of Group's products is followed and monitored by the technical structures through membership and participation in meetings of trade associations which provide information on what will be the requirements of the products in the years to come. The Group's research and development activity (see the specific paragraph) is directed on the basis of the regulatory evolution. The evolution of consumer preferences is monitored through the commercial and marketing structure, with constant contact with the distribution network and through the category associations in which the Group participates. With regards to aspects linked to energy procurement, this area is monitored by the purchasing department.
Said risks open up, at the same time, interesting opportunities from both the point of view of business development (e.g., development of electric/battery-run products, growth of the agriculture sector) and with regards to efficiency (e.g., reduction in energy consumption).
With regards to physical risk, the Group is carrying out scenario analyses aimed at identifying and understanding what the effects of a series of climate events could be on company assets. Specifically, the analysis has been performed taking into consideration the Group's production plants and identifying the most

relevant risks, their future projection over two time horizons consistent with the Group's business and considers two scenarios (one pessimistic and one optimistic). Finally, the analysis examines the initiatives already undertaken and those planned that can mitigate any negative effects of climate events. The work carried out to date has concerned 4 specific risks and, for each, the companies potentially most impacted, the interventions already implemented in order to mitigate the risk and possible initiatives to be implemented have been identified:

- ✓ water stress: the possible negative impact appears to be mitigated by the limited use of water in the Group's production processes and by the reuse procedures already in place at most of the companies involved;
- ✓ heat stress and change in air temperature: the possible impact linked to the well-being of employees and the economic implications of the phenomenon are mitigated by the use of air cooling systems within the production premises and by the flexible organization of work;
- ✓ river flooding: the possible negative impact linked mainly to economic aspects is mitigated by the limited number of plants potentially affected and, in the most pessimistic hypotheses, by their limited weight on the Group's activities.

The analysis carried out so far has not determined the need for interventions by the Group. Through dedicated departments, the Group will continue its monitoring of the scenarios and their evolution so as to always have updated bases for risk assessment and any implementation of mitigating actions.

Tax risk management
The Group operates in many countries and the tax management of each company is subject to complex national and international tax regulations that may change over time.
Compliance with the tax regulations of parent companies and subsidiaries is harmonized with the Group's tax policy through coordination and validation activities, which is expressed in homogeneously approaching, while taking into account local particularities, issues such as tax consolidation, facilitations for research and development., transfer pricing, the various forms of public incentives for businesses, as well as the choices relating to the management of any tax disputes.

In addition, the Group, with particular reference to its Italian subsidiaries, has also defined a tax risk control system coordinated with the provisions of Law 262/05 and Legislative Decree 231/01, to monitor activities with potential tax impacts on the main business processes and on the Group's results.

Information Technology
For several years, the Group has automated through its IT systems most of the operational processes to support its business, continuing a progressive and constant digitalization process, subsequent the exponential technological evolution in place. IT systems malfunction and crashes can have a direct impact on most business processes.
In the current economic and social context the risks of cyber security are increasing, especially because of cyber attacks.
If successful, such attacks could adversely impact the Group's business operations, financial condition or reputation. Also due to the recent investment of the Group in new and updated information systems, the Group has started the necessary activities to keep the systems protected and to guarantee their recovery following emergencies, as well as an adequate data storage capacity; furthermore, activities were started on the enhancement of skills in the field of IT security, as well as awareness and training on information security. In parallel with the provisions of the European Regulation (GDPR), the Group constantly monitors the protection of rights in relation to the personal data processed.

The recent and rapid evolution of AI (Artificial Intelligence) technologies raises the issue of their impact on company business models and operational processes, with a general effect on competitiveness and efficiency. The group closely monitors the technology's evolution and continually evaluates its applications within its business model, in order to develop an appropriate investment plan, both in terms of resources and human capital, to seize opportunities and minimize adverse effects.

Financial risks
In the ordinary performance of its operating activities, the Group is exposed to various risks of a financial nature. For detailed analysis, reference should be made to the appropriate section of the Notes to Annual Financial Statements in which the disclosures as per IFRS no. 7 are set out.

Risk management process

With the aim of reducing the financial impact of any harmful event, Emak has arranged to transfer residual risks to the insurance market, when insurable.

In this sense, Emak, as part of its risk management, has taken steps to customize insurance coverage in order to significantly reduce exposure, particularly with regard to possible damages arising from the manufacturing and marketing of products.

All companies of the Group are today insured, with policies of international programs such as Liability, Property all risks, D&O, Crime, EPL and “legal protection”, against major risks considered as strategic, such as: product liability and product recall, general civil liability, legal fees, certain catastrophic events and related business interruption. Other insurance coverage has been taken out at the local level in order to respond to regulatory requirements or specific regulations.

The analysis and insurance transfer of the risks to which the Group is exposed is carried out in collaboration with a high standing insurance broker who, through an international network, is also able to assess the adequacy of the management of the Group's insurance programs on a global scale.

1. Main economic and financial figures for Emak Group

Income statement (€/000)

Y 2023		2 Q 2024	2 Q 2023	I H 2024	I H 2023
566,317	Revenues from sales	175,332	159,403	345,439	331,156
67,878	EBITDA before non ordinary income/expenses (*)	23,140	24,119	44,936	49,409
66,304	EBITDA (*)	22,230	23,838	43,717	48,842
37,224	EBIT	14,160	16,667	27,854	34,826
19,922	Net profit	6,458	10,673	14,309	22,058

Investment and free cash flow (€/000)

Y 2023		2 Q 2024	2 Q 2023	I H 2024	I H 2023
17,204	Investment in property, plant and equipment	4,237	4,368	8,251	8,214
5,732	Investment in intangible assets	1,578	1,146	2,888	2,572
49,002	Free cash flow from operations (*)	14,528	17,844	30,172	36,074

Statement of financial position (€/000)

31.12.2023		30.06.2024	30.06.2023
475,162	Net capital employed (*)	502,346	500,028
(191,495)	Net debt (*)	(212,884)	(213,049)
283,667	Total equity	289,462	286,979

Other statistics

Y 2023		2 Q 2024	2 Q 2023	I H 2024	I H 2023
11.7%	EBITDA / Net sales (%)	12.7%	15.0%	12.7%	14.7%
6.6%	EBIT/ Net sales (%)	8.1%	10.5%	8.1%	10.5%
3.5%	Net profit / Net sales (%)	3.7%	6.7%	4.1%	6.7%
7.8%	EBIT / Net capital employed (%)			5.5%	7.0%
0.68	Net debt / Equity			0.74	0.74
2,362	Number of employees at period end			2,516	2,402

Share information and prices

31.12.2023		30.06.2024	30.06.2023
0.117	Earnings per share (€)	0.086	0.132
1.72	Equity per share (€) (*)	1.75	1.74
1.10	Official price (€)	1.01	1.04
1.32	Maximum share price in period (€)	1.23	1.32
0.89	Minimum share price in period (€)	0.96	1.00
180	Stockmarket capitalization (€ / million)	165	171
162,837,602	Average number of outstanding shares	162,837,602	162,837,602
163,934,835	Number of shares comprising share capital	163,934,835	163,934,835
0.301	Free cash flow from operations per share (€) (*)	0.185	0.222
0.045	Dividend per share (€)	-	-

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

2. Information on the Russia-Ukraine and Israel-Palestinian conflicts and on geopolitical tensions in the Red Sea

The war between Ukraine and Russia has had a significant impact on the economy and finances of both countries involved, as well as other nations and the global economic system as a whole.

The Group continues to monitor the evolution of the situation resulting the invasion of the Ukrainian territory by the Russian Federation and to implement the necessary actions to mitigate the risks and direct and indirect impacts.

Regarding the direct impacts, the Group operates in Ukraine mainly through a subsidiary, Epicenter Llc, while it distributes its products, in compliance with the relevant international regulations, through independent customers in other areas impacted by the conflict: particularly Russia and Belarus.

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, mainly represented by product inventories. The subsidiary, which has 21 employees, generated a turnover of € 2.3 million in the first half of 2024 (€ 5 million in 2023).

The total assets of the Ukrainian subsidiary as of 30 June 2024 amount to approximately € 4 million, mainly represented by inventories, and to a lesser extent by trade receivables and cash on hand.
The local management continues to monitor market exposure, the integrity of the product inventory and the evolution of the situation to guarantee the continuity of the business under the safest condition.

Excluding the activities of the trading subsidiary, the Ukrainian market is marginal for the Group, with sales in the first half of 2024 amounting to approximately € 0.4 million (€ 0.7 million in 2023) and direct exposure of receivables on the Ukrainian market as of 30 June 2024, amounted to approximately € 27 thousand.

The Group's revenues achieved in the Russian and Belarusian markets represent 1.1% in the first half of 2024 compared to 2% in 2023. The exposure at 30 June 2024 amounts to approximately € 0.3 million.

As for the supply chain, there are no impacts related to the current conditions.

The Group systematically monitors the regulatory and sanction framework related to the markets and parties affected by the conflict, complying with the most scrupulous checks of the counterparties to limit regulatory risks, the continuous assessment of the geopolitical framework aims to prevent potential negative impacts of a commercial and financial nature.

With reference to the most recent Israeli-Palestinian conflict, the Group monitors its evolution, although at the moment there are no direct impacts on its business, as the involved areas are not significant markets for either sales or direct sources of supply.

The geopolitical tensions in the Red Sea have led, since the last months of 2023, to a redefinition of global maritime trade routes, which are leading to an increase in transport costs and delivery times of goods.

These situations contribute to the persistence of uncertainties in the geopolitical, economic, and financial context, requiring the Group to take necessary actions to mitigate the risks and direct and indirect impacts deriving from them.

3. Scope of consolidation

Compared to 31 December 2023 and 30 June 2023, the PNR Group entered the scope of consolidation, as of January 1, 2024, following the acquisition by Tecomec S.r.l. of the 79.995% of the share capital of the PNR Italia S.r.l. on January 15, 2024. Subsequently, on June 10, 2024, Tecomec S.r.l. proceeded to acquire the remaining 19.005% of the share capital of PNR Italia S.r.l.
For further information regarding the acquisition of the PNR Group, please refer to the notes of this report.

As of June 30, 2023, the income statement of the company Bestway LLC (acquired by Valley LLP on February 1, 2023, and subsequently merged by incorporation by the buyer) had consolidated for five months.

4. Economic and financial results of Emak Group

Comments on economic figures

Revenues from sales

In the first semester 2024, the Group achieved a consolidated turnover of € 345,439 thousand, compared to € 331,156 thousand of the same period last year, an increase of 4.3%. This increase is due to the change in the scope of consolidation for 3.4%, to an organic increase in sales for 0.7% and to the positive effect of translation changes for 0.2%.

It should be noted that the organic performance has been negatively affected by the Russia-Ukraine conflict by approximately 5 million Euros compared to the same period, and by logistical turbulence that have caused an abnormal level of unfulfilled orders at the end of the semester.

The turnover for the second quarter amounts to € 175,332 thousand against € 159,403 thousand in the second quarter of 2023, an increase of 10% (6.9% an equal consolidation basis).

EBITDA

In the first semester 2024, Ebitda amounts to € 43,717 thousand (12.7% of sales) compared to € 48,842 thousand (14.7% of sales) for the corresponding semester of the previous year.

During the first half of 2024, non-ordinary expenses were recorded for € 1,219 thousand (€ 567 thousand in the semester 2023). Ebitda before non-ordinary expenses and revenues amounts to € 44,936 thousand and equal to 13% of revenues (€ 49,409 thousand equal to 14.9% of revenues in the same period last year).

The positive effect resulting from the application of the IFRS 16 principle on Ebitda for the first half 2024 is € 5,195 thousand, against to € 4,330 thousand of the first half 2023.

Ebitda for the half-year benefited from the change in the area for € 1.910 thousand, while it was affected by the increase in personnel costs, transports costs following geopolitical tensions in the Red Sea and commercial costs to support sales development.

Personnel costs increased compared to the same period of the previous year for € 8,661 thousand; this increase is due to the change in the scope of consolidation, which had an impact of approximately € 3,470 thousand, the greater use of temporary workers to support seasonal peaks and the dynamics of labor costs also affected by contractual increases.
The average number of resources employed by the Group, also considering temporary workers employed in the period, was equal to 2,750 (2,507 in the first semester 2023).

Operating result

Operating result for the first semester 2024 is € 27,854 thousand with an incidence of 8.1% on revenues, compared to € 34,826 thousand (10.5% of sales) for the corresponding period of the previous year.

Depreciation and amortization are € 15,863 thousand, compared to € 14,016 thousand on 30 June 2023.

Non-annualized operating result as a percentage of net capital employed is 5.5% compared to 7% of the same period of the previous year.

Net result

Net profit for the first semester 2024 is equal to € 14,309 thousand, against € 22,058 thousand for the same period last year.
The item "financial expenses" equal to € 8,803 thousand, increased compared to € 8,265 thousand of the same period of the previous year, due to the increase in market interest rates and the higher level of gross indebtedness.

Currency management is negative for € 640 thousand, compared to a positive value of € 1,231 thousand for the same period of last year. Exchange rate management was negatively affected by the devaluation of the Brazilian real against euro and the US dollar.
The item “Income from/(expenses on) equity investment”, equal to a negative value of € 7 thousand (compared to a negative value of € 14 thousand for the same period last year), relates to the valuation according to the equity method of the associated company Raw Power S.r.l.

The effective tax rate is equal to 29.8%, increasing compared to 25.7% of the same period last year, mainly due to a different distribution of incomes within the Group deferred tax assets on tax losses not recognized by some subsidiaries not adequately supported by a multi-year tax plan.

Comment to consolidated statement of financial position

31.12.2023	€/000	30.06.2024	30.06.2023
223,575	Net non-current assets (*)	232,790	222,044
251,587	Net working capital (*)	269,556	277,984
475,162	**Total net capital employed (*)**	**502,346**	**500,028**
279,352	Equity attributable to the Group	285,132	282,789
4,315	Equity attributable to non controlling interests	4,330	4,190
(191,495)	Net debt (*)	(212,884)	(213,049)
(*)	See section "Definitions of alternative performance indicators"		

Net non-current assets

During first semester 2024 the Group invested € 11,139 thousand in property, plant and equipment and intangible assets, as follows:

31.12.2023	€/000	30.06.2024	30.06.2023
5,426	Innovation technological of products	3,010	2,735
8,990	Production capacity and process innovation	4,639	4,212
4,682	Computer network system	2,041	2,115
2,229	Industrial buildings	755	870
1,609	Other investments	694	854
22,936	**Total**	**11,139**	**10,786**

Investments broken down by geographical area are as follows:

31.12.2023	€/000	30.06.2024	30.06.2023
14,850	Italy	6,548	6,848
1,636	Europe	1,034	988
4,633	Americas	2,396	2,216
1,817	Asia, Africa and Oceania	1,161	734
22,936	**Total**	**11,139**	**10,786**

Net working capital

Net working capital at 30 June 2024 amounted to € 269,556 thousand, compared to € 251,587 thousand at 31 December 2023 and € 277,984 thousand at 30 June 2023.

The following table shows the change in net working capital in the first half 2024 compared with the previous year:

€/000	1H 2024	1H 2023
Net working capital at 01 January	**251,587**	**247,687**
Increase/(decrease) in inventories	(7,820)	(18,933)
Increase/(decrease) in trade receivables	41,237	29,887
(Increase)/decrease in trade payables	(16,549)	11,740
Change in scope of consolidation	5,922	12,302
Other changes	(4,821)	(4,699)
Net working capital at 30 June	**269,556**	**277,984**

The performance of net working capital as at 30 June 2024 reflects the seasonal dynamics of the business. The market context has allowed an improvement in planning and the gradual normalization of inventory levels of the Group, with a positive impact on the reduction of working capital, while the increase in trade receivables, resulting from the growth in sales in the second quarter, has had a growth effect on the same. The change in the scope of consolidation results in an increase of approximately € 5,922 thousand.

Net financial position

Net negative financial position amounts to € 212,884 thousand at 30 June 2024, compared to € 213,049 thousand at 30 June 2023 and € 191,495 thousand at 31 December 2023.
The following table shows the movements in the net financial position of the first half:

€/000	1H 2024	1H 2023
Opening NFP	**(191,495)**	**(177,305)**
Net profit	14,309	22,058
Amortization, depreciation and impairment losses	15,863	14,016
Cash flow from operations, excluding changes in operating assets and liabilities	**30,172**	**36,074**
Changes in operating assets and liabilities	(15,653)	(16,397)
Cash flow from operations	**14,519**	**19,677**
Changes in investments and disinvestments	**(10,659)**	**(11,673)**
Changes rights of use IFRS 16	**(3,277)**	**(8,895)**
Dividends cash out	**(7,404)**	**(10,628)**
Other equity changes	**7**	**(223)**
Changes from exchange rates and translation reserve	**1,036**	**(3,698)**
Change in scope of consolidation	**(15,611)**	**(20,304)**
Closing NFP	**(212,884)**	**(213,049)**

Cash flow from operations is equal to € 30,172 thousand compared to € 36,074 thousand in the same period of the previous financial year. Cash flow from operations is positive for € 14,519 thousand compared to € 19,677 thousand in the same period of the previous financial year. The change in the scope of consolidation linked to the acquisition of the PNR Group has affected for approximately € 15,611 thousand (of which € 13,400 thousand were for the agreed consideration for the total shares acquired).

Details of the net financial position is analyzed as follows:

(€/000)	30.06.2024	31.12.2023	30.06.2023
A. Cash	83,675	75,661	47,947
B. Cash equivalents	-	-	-
C. Other current financial assets	909	1,087	2,147
D. Liquidity funds (A+B+C)	**84,584**	**76,748**	**50,094**
E. Current financial debt	(24,274)	(24,304)	(17,116)
F. Current portion of non-current financial debt	(66,949)	(70,226)	(60,209)
G. Current financial indebtedness (E + F)	**(91,223)**	**(94,530)**	**(77,325)**
H. Net current financial indebtedness (G - D)	**(6,639)**	**(17,782)**	**(27,231)**
I. Non-current financial debt	(207,390)	(174,980)	(187,053)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I + J + K)	**(207,390)**	**(174,980)**	**(187,053)**
M. Total financial indebtedness (H + L) (ESMA)	**(214,029)**	**(192,762)**	**(214,284)**
N. Non current financial receivables	1,145	1,267	1,235
O. Net financial position (M-N)	**(212,884)**	**(191,495)**	**(213,049)**
Effect IFRS 16	**45,216**	**43,936**	**43,593**
Net financial position without effect IFRS 16	**(167,668)**	**(147,559)**	**(169,456)**

Net financial position at 30 June 2024 includes actualized financial liabilities related to the payment of future rental and rent payments, in application of IFRS 16 standard, equal to overall € 45,216 thousand, of which € 8,187 thousand falling due within 12 months while at 31 December 2023 they amounted to a total of € 43,936 thousand, of which € 7,503 thousand falling due within 12 months.

Current financial indebtedness mainly consists of:
- account payables and self-liquidating accounts;
- loan repayments falling due by 30 June 2025;
- amounts due to other providers of finance falling due by 30 June 2025;
- debt for the deferred payment of the minority share of the company PNR Italia S.r.l. for an amount of € 1,200 thousand;
- debt for equity investments subject to Put & Call Options in the amount of € 2,858 thousand.

Financial liabilities for the purchase of the remaining minority shares subject to Put & Call Options are equal to € 5,858 thousand, of which € 3,000 thousand in the medium to long term, related to the following companies:
- Markusson for an amount of € 2,116 thousand;
- Poli S.r.l. for an amount of € 1,608 thousand;
- Valley LLP for an amount of € 1,074 thousand;
- Agres for an amount of € 1,060 thousand.

Non-current portion of the payables for the purchase of equity investments, recorded in the item “Non current financial debt”, above is equal to € 3,000 thousand while the current portion of payables for the purchase of equity investments, recorded in the item “Current financial debt”, is equal to € 4,058 thousand.

Equity

Total equity is equal to € 289,462 thousand at 30 June 2024 against € 283,667 thousand at 31 December 2023.

Highlights of the consolidated financial statement of the semester broken down by operating segment

	OUTDOOR POWER EQUIPMENT		PUMPS AND WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
€/000	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**
Sales to third parties	110,465	106,638	140,354	139,846	94,620	84,672			**345,439**	**331,156**
Intersegment sales	233	227	1,198	1,921	5,602	4,431	(7,033)	(6,579)		
Revenues from sales	110,698	106,865	141,552	141,767	100,222	89,103	(7,033)	(6,579)	**345,439**	**331,156**
Ebitda (*)	9,654	12,476	17,214	21,857	18,207	15,698	(1,358)	(1,189)	**43,717**	**48,842**
Ebitda/Total Revenues %	*8.7%*	*11.7%*	*12.2%*	*15.4%*	*18.2%*	*17.6%*			***12.7%***	***14.7%***
Ebitda before non ordinary expenses (*)	10,508	12,476	17,269	22,315	18,517	15,807	(1,358)	(1,189)	**44,936**	**49,409**
Ebitda before non ordinary expenses/Total Revenues %	*9.5%*	*11.7%*	*12.2%*	*15.7%*	*18.5%*	*17.7%*			***13.0%***	***14.9%***
Operating result	5,698	8,649	11,300	16,582	12,214	10,784	(1,358)	(1,189)	**27,854**	**34,826**
Operating result/Total Revenues %	*5.1%*	*8.1%*	*8.0%*	*11.7%*	*12.2%*	*12.1%*			***8.1%***	***10.5%***
Net financial expenses (1)									**(7,466)**	**(5,129)**
Profit befor taxes									**20,388**	**29,697**
Income taxes									**(6,079)**	**(7,639)**
Net profit									**14,309**	**22,058**
Net profit/Total Revenues%									***4.1%***	***6.7%***
(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	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**
Net debt (*)	8,224	11,174	142,016	134,618	62,644	45,703	0	0	**212,884**	**191,495**
Shareholders' Equity	188,848	185,337	98,295	99,670	80,826	76,978	(78,507)	(78,318)	**289,462**	**283,667**
Total Shareholders' Equity and Net debt	197,072	196,511	240,311	234,288	143,470	122,681	(78,507)	(78,318)	**502,346**	**475,162**
Net non-current assets (2) (*)	122,326	122,370	114,238	116,156	71,391	60,261	(75,165)	(75,212)	**232,790**	**223,575**
Net working capital (*)	74,746	74,141	126,073	118,132	72,079	62,420	(3,342)	(3,106)	**269,556**	**251,587**
Total net capital employed (*)	197,072	196,511	240,311	234,288	143,470	122,681	(78,507)	(78,318)	**502,346**	**475,162**
(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	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**
Number of employees at period end	720	725	987	959	800	669	9	9	**2,516**	**2,362**
OTHER INFORMATIONS	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**
Amortization, depreciation and impairment losses	3,956	3,827	5,914	5,275	5,993	4,914			**15,863**	**14,016**
Investment in property, plant and equipment and in intangible assets	3,176	2,714	3,916	4,181	4,047	3,891			**11,139**	**10,786**

(*) 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 six months of 2024 and the second quarter by business sector and geographic area, compared with the same period last year.

	OUTDOOR POWER EQUIPMENT			PUMPS AND WATER JETTING			COMPONENTS AND ACCESSORIES			CONSOLIDATED		
€/000	**1H 2024**	**1H 2023**	**Var. %**	**1H 2024**	**1H 2023**	**Var. %**	**1H 2024**	**1H 2023**	**Var. %**	**1H 2024**	**1H 2023**	**Var. %**
Europe	96,290	90,752	6.1	58,935	60,602	(2.8)	56,952	49,943	14.0	212,177	201,297	5.4
Americas	3,281	3,364	(2.5)	68,624	63,954	7.3	27,097	24,356	11.3	99,002	91,674	8.0
Asia, Africa and Oceania	10,894	12,522	(13.0)	12,795	15,290	(16.3)	10,571	10,373	1.9	34,260	38,185	(10.3)
Total	**110,465**	**106,638**	**3.6**	**140,354**	**139,846**	**0.4**	**94,620**	**84,672**	**11.7**	**345,439**	**331,156**	**4.3**

	OUTDOOR POWER EQUIPMENT			PUMPS AND WATER JETTING			COMPONENTS AND ACCESSORIES			CONSOLIDATED		
€/000	**2Q 2024**	**2Q 2023**	**Var. %**	**2Q 2024**	**2Q 2023**	**Var. %**	**2Q 2024**	**2Q 2023**	**Var. %**	**2Q 2024**	**2Q 2023**	**Var. %**
Europe	47,533	39,776	19.5	31,633	29,459	7.4	28,992	24,800	16.9	108,158	94,035	15.0
Americas	1,306	1,275	2.4	34,762	33,071	5.1	13,365	12,496	7.0	49,433	46,842	5.5
Asia, Africa and Oceania	5,584	5,499	1.5	6,975	8,527	(18.2)	5,182	4,500	15.2	17,741	18,526	(4.2)
Total	**54,423**	**46,550**	**16.9**	**73,370**	**71,057**	**3.3**	**47,539**	**41,796**	**13.7**	**175,332**	**159,403**	**10.0**

<u>Outdoor Power Equipment</u>

Segment revenues increased by 3.6% compared to the same period of the previous year, thanks to positive sales performance in the second quarter, in which all areas contributed to the good performance.

In Europe, sales growth affected the main markets of Western Europe, supported by sales network initiatives, the return to normal stock levels in distribution channels, and generally favorable weather conditions. In Eastern Europe, a negative trend was observed in the areas affected by the Russia-Ukraine conflict, with a decrease in sales of approximately € 2.4 million.

The slight contraction recorded in the Americas was due to a reduction in sales in North America and Mexico, partially offset by growth in South America.
In the Asia, Africa, and Oceania area, the decrease was attributable to lower sales in Turkey and the Far East.

EBITDA, amounting to € 9,654 thousand, compared to € 12,476 thousand in the first half of 2023, benefited from the increase in sales but was penalized by the increase in logistics costs for importing goods because the current global logistics scenario has led to higher costs for maritime freight and increased reliance on rail and air transport.
During the semester, non-recurring expenses amounting to € 854 thousand were recorded.

Net negative financial position, amounting to a € 8,224 thousand improved compared to December 31, 2023, due to the cash flow generated from operating activities.

Pumps and Water Jetting

Segment revenues increased by 0.4% compared to the first half of 2023.
Sales in Europe decreased, mainly due to the significant reduction in exports to Russia and the marked slowdown in sales in France. However, part of this decline was offset by the Polish and Italian markets and good sales performance through the online channel in the second quarter.
Revenue growth in the Americas area is attributable to the effect of the consolidation area and the commercialization of drones from the Bestway division, which have more than compensated for the decline in sales of other product lines.
Revenues in Asia, Africa, and Oceania decreased due to the contraction in sales in some markets, a decline only partially offset by good performance in the Turkish market.

EBITDA for the first half of 2024, amounting to € 17,214 thousand, compared to € 21,857 thousand in the first half of 2023, was negatively impacted by an unfavorable product mix, increased personnel costs, and higher fixed costs.

Net negative financial position, amounting to € 142,016 thousand, increased compared to December 31, 2023, primarily due to the seasonal dynamics of net working capital.

Components and accessories

Segment sales increased by 11.7% compared to the same period in 2023. The inclusion of the PNR Group in the consolidation area contributed approximately 7.7 million euros.
Sales in Europe, net of the PNR Group's contribution, showed a slight increase despite the significant decline in the agriculture division, which was impacted by both negative sector trends and the drop in the Russian market. In the Italian market, the results achieved in the gardening products sector were particularly notable.
Revenue in the Americas area increased thanks to the strong performance of the North American market, which more than compensated for the decline in the Brazilian subsidiaries operating in the agricultural sector.
In the Asia, Africa, and Oceania area, the slowdown in the Asian, Australian, and South African markets was more than offset by the growth recorded by the Chinese subsidiary and the contribution of the PNR Group.

EBITDA, amounting to € 18,207 thousand compared to € 15,698 thousand as of June 30, 2023, benefited from the change in the consolidation area by approximately 1.7 million euros and an improved product mix, while it was impacted by the increase in maritime transport costs.

Net negative financial position, amounting to € 62,644 thousand, increased compared to the end of 2023, due to the impact of the PNR acquisition and the increase in net working capital, particularly the higher amount of receivables from customers.

5. Dealings with related parties

Emak S.p.A. is controlled by Yama S.p.A., which holds 65.2% of its share capital and which, as a non financial holding company, is at the head of a larger group of companies mainly operating in the production of machinery and equipment for agriculture and gardening and of components for motors, and in real estate.

With these companies there are limited supply and industrial services dealings, as well as industrial surfaces rental services of and financial services deriving from the equity investment of a few Italian companies in the Group, including Emak S.p.A., in the tax consolidation headed by Yama S.p.A.
There have been collaboration relationships for consultancy services of a technological nature linked to the development of new electrical products with the company Raw power S.r.l.

A further area of relationships with "other related parties" is derived from the performance of professional services for legal and fiscal nature, provided by entities subject to significant influence by a non-executive director.

All of the above dealings, of a normal and recurring nature, falling within the ordinary exercise of industrial activity, constitute the preponderant part of activities carried out in the period by the Group with related parties. The transactions in question are all regulated under current market conditions, in compliance with framework resolutions approved periodically by the Board of Directors. Reference can be made to the notes to the accounts at paragraph 35.

During the year, no extraordinary operations with related parties have been carried out. If transactions of this nature had taken place, enforcement procedures approved by the Board of Directors would have been applied, most recently with its resolution of 12 May 2021.

* * * * * * *

The determination of the remuneration of Directors and Auditors and Managers with strategic responsibility in the Parent Company occurs as part of the governance framework illustrated to the Shareholders and to the public through the report as per art. 123-ter of Leg. Dec. 58/98, available on the site www.emakgroup.it.
Given the conditions, Emak S.p.A. makes use of the procedural simplifications provided for in paragraphs 1 and 3, lett. b), in art. 13 of CONSOB Resolution no. 17221 of March 12, 2010 and related amendments and additions. The remuneration of Directors and Auditors and Managers with strategic responsibilities in the subsidiaries are also established based on adequate protection procedures, that provide for the Parent Company to perform control and harmonization activities.

6. Plan to purchase Emak S.p.A. shares

At December 31, 2023, the Company held 1,097,233 treasury shares in portfolio for an equivalent value of € 2,835 thousand.

During the first half 2024 and until the date of approval by the Board of Directors of this report, there were no changes in the consistency of the portfolio of treasury shares, leaving the balances at the beginning of the year unchanged.

7. Disputes

There were no disputes in progress that might lead to liabilities in the financial statements other than those already described in note 34 of the abbreviated half-year financial statements, to which reference is made.

8. Business outlook

The first half of the year was characterized by a complex macroeconomic scenario, which led to a conservative approach by customers and consumers, combined with disruptions to international logistics chains caused by tensions in the Red Sea area, resulting in an impact on sales for the period. Despite a challenging context, the Group reported sales growth compared to the same period last year. The forecast is that the described external dynamics will persist in the coming months; nevertheless, based on the information currently available, Management expects the sales growth trend to continue in the third quarter, with a consequent further increase in cumulative revenue compared to 2023.

9. Significant events occurring during the period and positions or transactions arising from atypical and unusual transactions, significant and non-recurring

The significant events that occurred during the period and positions or transactions arising from atypical and unusual transactions, significant and non-recurring are set out in notes 5 and 7 of half year financial statements.

10. Subsequent events

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

11. 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.

12. Reconciliation between shareholders' equity and net profit of the parent company Emak and consolidated equity and the results

In accordance with the Consob Communication dated July 28, 2006, the following table provides a reconciliation between net income for first half 2024 and shareholders' equity at 30 June 2024 of the Group (Group share), with the corresponding values of the parent company Emak S.p.A.

€/000	Equity at 30.06.2024	Result for the year ending 30.06.2024	Equity at 30.06.2023	Result for the year ending 30.06.2023
Equity and result of Emak S.p.A.	**153,824**	**8,805**	**155,646**	**13,699**
Equity and result of consolidated subsidiaries	368,991	25,616	354,719	28,857
Effect of the elimination of the accounting value of shareholdings	(223,500)	(283)	(213,385)	(38)
Elimination of dividends	-	(19,776)	-	(19,878)
Elimination of intergroup profits	(9,848)	(46)	(9,987)	(568)
Evaluation of equity investment in associated	(5)	(7)	(14)	(14)
Total consolidated amount	**289,462**	**14,309**	**286,979**	**22,058**
Non controlling interest	**(4,330)**	**(349)**	**(4,190)**	**(533)**
Equity and result attributable to the Group	**285,132**	**13,960**	**282,789**	**21,525**

Bagnolo in Piano (RE), August 8, 2024

On behalf of the Board of Directors
The Chairman

Massimo Livatino

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 transactions, and costs for staff reorganization and restructuring.

- EBITDA: defined as profit/(loss) for the period gross of depreciation of tangible and intangible fixed assets and rights of use, write-downs of fixed assets, goodwill and equity investments, Income from/(expenses on) equity investment, income and financial charges, foreign exchange gains and charges and income taxes.

- FREE CASH FLOW FROM OPERATIONS: calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses".

- EQUITY PER SHARE: is obtained dividing the item "Group equity" by number of outstanding shares at period end.

- 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: this indicator is calculated by adding to the scheme envisaged by the "Call for attention no. 5/21" of 29 April 2021 issued by Consob, which refers to ESMA guidelines 32-382-1138 of 4 March 2021, the non-current financial receivables.

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.

Emak Group

Half year report at 30 June 2024

Consolidated financial statements

Consolidated Income Statement

Thousand of Euro

Year 2023	CONSOLIDATED INCOME STATEMENT	Notes	1H 2024	of which to related parties	1H 2023	of which to related parties
566,317	**Revenues from sales**	**9**	**345,439**	**579**	**331,156**	**634**
5,493	Other operating incomes	9	1,918		2,475	
755	Change in inventories		(6,602)		(7,419)	
(298,310)	Raw materials, consumables and goods	10	(174,643)	(1,316)	(169,554)	(1,254)
(105,036)	Personnel expenses	11	(62,255)		(53,594)	
(102,915)	Other operating costs and provisions	12	(60,140)	(405)	(54,222)	(279)
(29,080)	Amortization, depreciation and impairment losses	13	(15,863)	(937)	(14,016)	(926)
37,224	**Operating result**		**27,854**		**34,826**	
5,621	Financial income	14	1,984	-	1,919	-
(17,830)	Financial expenses	14	(8,803)	183	(8,265)	189
418	Exchange gains and losses	14	(640)		1,231	
2	Income from/(expenses on) equity investment	14	(7)		(14)	
25,435	**Profit before taxes**		**20,388**		**29,697**	
(5,513)	Income taxes	15	(6,079)		(7,639)	
19,922	**Net profit (A)**		**14,309**		**22,058**	
(847)	(Profit)/loss attributable to non controlling interests		(349)		(533)	
19,075	**Net profit attributable to the Group**		**13,960**		**21,525**	
0.117	**Basic earnings per share**	**16**	**0.086**		**0.132**	
0.117	**Diluted earnings per share**	**16**	**0.086**		**0.132**	

Year 2023	CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	Notes	1H 2024	1H 2023
19,922	**Net profit (A)**		**14,309**	**22,058**
(2,192)	Profits/(losses) deriving from the conversion of foreign company accounts		(2,352)	(1,215)
(43)	Actuarial profits/(losses) deriving from defined benefit plans (*)		-	-
11	Income taxes on OCI (*)		-	-
(2,224)	**Total other components to be included in the comprehensive income statement (B)**		**(2,352)**	**(1,215)**
17,698	**Total comprehensive income for the period (A)+(B)**		**11,957**	**20,843**
(844)	Comprehensive net profit attributable to non controlling interests (C)		(178)	(561)
16,854	Comprehensive net profit attributable to the Group (A)+(B)+(C)		11,779	20,282

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

In accordance with the CONSOB resolution no. 15519 of July 27 2006, the effects of transactions with related parties on the consolidated income statement are shown in the scheme and are further described and discussed in note 35.

Statement of consolidated financial position

Thousand of Euro

31.12.2023	ASSETS	Notes	30.06.2024	of which to related parties	30.06.2023	of which to related parties
	Non-current assets					
86,021	Property, plant and equipment	17	90,338		84,670	
29,228	Intangible assets	18	33,580		29,644	
41,907	Rights of use	19	42,822	12,129	41,749	13,872
72,554	Goodwill	20	72,422	9,914	72,835	9,914
8	Equity investments in other companies	21	8		8	
802	Equity investments in associates	21	795		786	
11,531	Deferred tax assets	30	12,150		10,547	
1,267	Other financial assets	22	1,145	37	1,235	74
96	Other assets	24	97		95	
243,414	**Total non-current assets**		**253,357**		**241,569**	
	Current assets					
234,656	Inventories	25	231,462		227,851	
121,936	Trade and other receivables	24	169,211	2,192	155,352	988
11,249	Current tax receivables	30	10,089		8,104	
59	Other financial assets	22	74	74	74	74
1,028	Derivative financial instruments	23	835		2,073	
75,661	Cash and cash equivalents		83,675		47,947	
444,589	**Total current assets**		**495,346**		**441,401**	
688,003	**TOTAL ASSETS**		**748,703**		**682,970**	

31.12.2023	SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30.06.2024	of which to related parties	30.06.2023	of which to related parties
	Shareholders' Equity					
279,352	Shareholders' Equity of the Group	26	285,132		282,789	
4,315	Non-controlling interests		4,330		4,190	
283,667	**Total Shareholders' Equity**		**289,462**		**286,979**	
	Non-current liabilities					
138,547	Loans and borrowings due to banks and others lenders	28	170,361		150,846	
36,433	Liabilities for leasing	29	37,029	10,982	36,207	12,724
7,968	Deferred tax liabilities	30	9,262		7,814	
6,066	Employee benefits	31	6,501		6,151	
2,885	Provisions for risks and charges	32	3,017		2,907	
1,653	Other liabilities	33	642		1,418	
193,552	**Total non-current liabilities**		**226,812**		**205,343**	
	Current liabilities					
109,772	Trade and other payables	27	132,482	3,481	106,222	3,737
4,691	Current tax liabilities	30	6,598		5,372	
86,424	Loans and borrowings due to banks and others lenders	28	82,914		68,890	
7,503	Liabilities for leasing	29	8,187	1,849	7,386	1,781
603	Derivative financial instruments	23	122		1,049	
1,791	Provisions for risks and charges	32	2,126		1,729	
210,784	**Total current liabilities**		**232,429**		**190,648**	
688,003	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**		**748,703**		**682,970**	

In accordance with the CONSOB resolution no. 15519 of July 27 2006, the effects of related party transactions on the financial position are shown in the scheme and are further described and discussed in note 35.

Statement of changes in consolidated equity for the Emak Group at 31.12.2023 and at 30.06.2024

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 31.12.2022	**42,623**	**41,513**	**(2,835)**	**4,247**	**4,353**	**2,264**	**(952)**	**32,339**	**119,183**	**30,268**	**273,003**	**3,984**	**276,987**
Profit reclassification				722				3,144	15,818	(30,268)	**(10,584)**	(204)	**(10,788)**
Other changes									79		**79**	(309)	**(230)**
Net profit for the period						(2,189)	(32)			19,075	**16,854**	844	**17,698**
Balance at 31.12.2023	**42,623**	**41,513**	**(2,835)**	**4,969**	**4,353**	**75**	**(984)**	**35,483**	**135,080**	**19,075**	**279,352**	**4,315**	**283,667**
Profit reclassification				522				2,598	8,627	(19,075)	**(7,328)**	(76)	**(7,404)**
Other changes									1,329		**1,329**	(87)	**1,242**
Net profit for the period						(2,181)				13,960	**11,779**	178	**11,957**
Balance at 30.06.2024	**42,623**	**41,513**	**(2,835)**	**5,491**	**4,353**	**(2,106)**	**(984)**	**38,081**	**145,036**	**13,960**	**285,132**	**4,330**	**289,462**

Statement of changes in consolidated equity for the Emak Group at 30.06.2023

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 31.12.2022	**42,623**	**41,513**	**(2,835)**	**4,247**	**4,353**	**2,264**	**(952)**	**32,339**	**119,183**	**30,268**	**273,003**	**3,984**	**276,987**
Profit reclassification				722				3,056	15,906	(30,268)	**(10,584)**	(44)	**(10,628)**
Other changes								88			**88**	(311)	**(223)**
Net profit for the period						(1,243)				21,525	**20,282**	561	**20,843**
Balance at 30.06.2023	**42,623**	**41,513**	**(2,835)**	**4,969**	**4,353**	**1,021**	**(952)**	**35,483**	**135,089**	**21,525**	**282,789**	**4,190**	**286,979**

Consolidated Cash Flow Statement

31.12.2023	(€/000)	Notes	30.06.2024	30.06.2023
	Cash flow from operations			
19,922	**Net profit for the period**		**14,309**	**22,058**
29,080	Amortization, depreciation and impairment losses	**13**	15,863	14,016
80	Financial expenses from discounting of debts and other income/expenses from non-monetary transactions	**14**	25	30
(2)	Income from/(expenses on) equity investment	**14**	7	14
(1,427)	Financial (income)/ Expenses from adjustment of estimated liabilities for outstanding commitment associates' shares	**14**	(21)	526
(183)	Capital (gains)/losses on disposal of property, plant and equipment		(81)	(126)
314	Decreases/(increases) in trade and other receivables		(43,338)	(28,398)
11,978	Decreases/(increases) in inventories		6,669	19,682
(4,270)	(Decreases)/increases in trade and other payables		20,758	(7,682)
(225)	Change in employee benefits		(73)	(140)
292	(Decreases)/increases in provisions for risks and charges		400	255
1,561	Change in derivative financial instruments		(284)	963
57,120	**Cash flow from operations**		**14,234**	**21,198**
	Cash flow from investing activities			
(22,851)	Change in property, plant and equipment and intangible assets		(10,748)	(10,786)
(923)	(Increases) and decreases in securities and financial assets		115	(900)
183	Proceeds from disposal of property, plant and equipment and other changes		81	126
(20,304)	Change in scope of consolidation	**5**	(10,689)	(20,304)
(43,895)	**Cash flow from investing activities**		**(21,241)**	**(31,864)**
	Cash flow from financing activities			
(262)	Other changes in equity		7	(223)
(1,796)	Change in short and long-term loans and borrowings		26,516	(11,186)
(7,756)	Liabilities for leasing refund		(4,143)	(3,806)
(10,788)	Dividends paid		(7,404)	(10,628)
(20,602)	**Cash flow from financing activities**		**14,976**	**(25,843)**
(7,377)	**Total cash flow from operations, investing and financing activities**		**7,969**	**(36,509)**
(3,063)	**Effect of changes from exchange rates and translation reserve**		**1,022**	**(3,215)**
(10,440)	**INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**		**8,991**	**(39,724)**
83,349	**OPENING CASH AND CASH EQUIVALENTS**		**72,909**	**83,349**
72,909	**CLOSING CASH AND CASH EQUIVALENTS**		**81,900**	**43,625**

ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT

31.12.2023	(€/000)	30.06.2024	30.06.2023
	RECONCILIATION OF CASH AND CASH EQUIVALENTS		
83,349	**Opening cash and cash equivalents, detailed as follows:**	**72,909**	**83,349**
86,477	Cash and cash equivalents	75,661	86,477
(3,128)	Overdrafts	(2,752)	(3,128)
72,909	**Closing cash and cash equivalents, detailed as follows:**	**81,900**	**43,625**
75,661	Cash and cash equivalents	83,675	47,947
(2,752)	Overdrafts	(1,775)	(4,322)
	Other information:		
(1,053)	Change in related party receivables and service transactions	(60)	91
373	Change in related party payables and service transactions	1,875	2,504
37	Change in related party financial assets	-	-
(2,163)	Related party liabilities for leasing refund	(1,090)	(1,068)

In accordance with the CONSOB resolution no. 15519 of July 27 2006, the effects of transactions with related parties on the consolidated cash flow statement are shown in the section Other information.

Explanatory notes to the abbreviated consolidated financial statements for the half-year of Emak Group

Index

1. General Information

Emak S.p.A. (hereinafter "Emak" or the "Parent Company") is a public company, with registered offices in Via Fermi, 4 in Bagnolo in Piano (RE). It is listed on the Italian stock market (MTA) on the EURONEXT STAR segment.

Emak S.p.A. is controlled by Yama S.p.A., non-financial holding company, which holds the majority of its capital and appoints, pursuant to the law and the company's bylaws, the majority of the members of its governing bodies. Emak S.p.A., nonetheless, is not subject to management or coordination on the part of Yama, and its Board of Directors makes its own strategic and operating choices in complete autonomy.

Values shown in the notes are in thousands of Euros, unless otherwise stated.

The half year report at 30 June 2024 is subject to a limited audit by Deloitte & Touche S.p.A. This audit is significantly less extensive than that of a complete audit carried out according to established auditing standards.

1.1 Information about Russia-Ukraine conflict and Israel-Palestinian conflicts and on geopolitical tensions in the Red Sea

Please refer to chapter 2 of the interim Directors' report.

2. Summary of principal accounting policies

The principal accounting policies used for preparing the abbreviated consolidated financial statements for the half-year are in line, except as specified below, with those applied for the annual consolidated financial statements at 31 December 2023 and are briefly discussed below.

2.1 General methods of preparation

The abbreviated consolidated half-year report of the Group at 30 June 2024 has been drawn-up in compliance with the IFRS's issued by the International Accounting Standards Board and adopted by the European Union and has been prepared in accordance with the IAS 34 accounting standard (Interim Financial Reporting), with art. 154-*ter* (financial reports) of the Consolidated Finance Act and with Consob regulations and resolutions in force. The same accounting principles used in preparing the consolidated financial statements at 31 December 2023 were applied. "IFRS" also includes all valid International Accounting Standards ("IAS") still in force, as well as all interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC, formerly "IFRIC"), previously known as the Standing Interpretations Committee ("SIC"). For this purpose, the financial statements of consolidated subsidiaries were reclassified and adjusted.

There are also the explanatory notes according to the disclosures required by IAS 34 with the supplementary information considered useful for a clearer understanding of the abbreviated interim financial statements. The interim financial statements at June 30, 2024 should be read in conjunction with the annual financial statements at 31 December 2023.
In accordance with IAS 1, the Directors confirm that, given the economic outlook, the capital and the Group's financial position, it operates as a going concern.

As partial exception to the provisions of IAS 34, these interim financial statements provide detailed as opposed to summary schedules in order to provide a better and clearer view of the economic-financial and financial dynamics during the period.
The financial statements used at June 30, 2024 are consistent with those in place for the annual financial statements at December 31, 2023.

In accordance with the requirements established by IFRS, the abbreviated half-year report is constituted by the following reports and documents:

1. Statement of consolidated financial position: based on the distinction between current and non-current assets and current and non-current liabilities;

2. Consolidated Income Statement and Consolidated Statement of other Comprehensive Income: classification of items of income and expense according to their nature and with representation of the operating result that does not include the effects of exchange differences and income from/(expenses on) equity investment, as per the accounting policy historically adopted by the Group;
3. Consolidated Cash flow Statement: based on a presentation of cash flows using the indirect method;
4. Consolidated Statement of Changes in Equity;
5. Notes to the interim consolidated financial statements.

The half year financial report presents annual data for comparative purposes in the previous year in order to provide adequate information, in consideration of the seasonality of the business of the Group as well as the values of the comparatives of the same period of the previous year are also shown. Indeed, the Group carries out an activity that is affected by the non perfect homogeneity of the flow of revenues and expenses during the year, showing a concentration of volumes mainly in the first half of each year.

The preparation of financial statements in conformity with IFRS requires the use of estimates by the Directors. The areas involving a higher degree of judgment or complexity and areas where assumptions and estimates could have a significant impact on the consolidated financial statements are discussed in note 4.

It is also to be noted that some valuation procedures, in particular the more complex such as the determination of any impairment of non-current assets, are generally carried out completely only in the preparation of annual financial statements, when all necessary information are available, except in cases where there are indications that an immediate assessment of any impairment is required. Even the actuarial valuations for the calculation of provisions for employee benefits are normally processed on the occasion of the annual financial statement as well as the adjustment to the most recent estimates, based on the updated long-term plans, of the payables for the purchase of the residual minority shareholdings if based on prospective economic-financial parameters. Current and deferred tax is recognized based on tax rates in force at the date of the half year report.

2.2 Methods of consolidation

Subsidiaries

The consolidated financial statements of the Group include the financial statements of Emak S.p.A. and the Italian and foreign companies over which Emak exercises direct or indirect control by governing their financial and operating policies and receiving the related benefits, according to the criteria established by IFRS 10.

The acquisition of subsidiaries is accounted for using the purchase method (“Acquisition method”), except for those acquired in 2011 from the parent company Yama S.p.A. The cost of acquisition initially corresponds to the fair value of the assets acquired, the financial instruments issued and the liabilities at the date of acquisition. The excess of the cost of acquisition over the group's share of the fair value of the net identifiable assets acquired is recognized as goodwill.

If the cost of acquisition is lower, the difference is directly expensed to income. The financial statements of subsidiaries are included in the consolidated accounts starting from the date of taking control to when such control ceases to exist. Minority interests and the amount of profit or loss for the period attributable to minorities are shown separately in the consolidated statement of financial position and income statement.

Subsidiaries are consolidated line-by-line from the date that the Group obtains control.
In business combinations carried out in several phases, with the presence of previous parent-subsidiary relationship, full consolidation takes place from the date of acquisition of control and on the same date the remeasurement at fair value of the previously held investment takes place.

It should be noted that:
- the subsidiary Valley LLP, owned by Comet Usa Inc with a share of 94%, is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 6% held by a company linked to the current CEO of the subsidiary;

- Markusson Professional Grinders AB, participated by Tecomec S.r.l., with a share of 81%, is consolidated at 100% on the basis of the "Put and Call Option Agreement" which regulates the purchase of the remaining 19%;
- Agres Sistemas Eletrônicos S.A., participated by Tecomec S.r.l., with a share of 95.5%, is consolidated at 100% on the basis of the "Put and Call Option Agreement" which regulates the purchase of the remaining 4.5%;
- Poli S.r.l., participated by Comet S.p.A., with a share of 80%, is consolidated at 100% on the basis of the "Put and Call Option Agreement" which regulates the purchase of the remaining 20%.

Intercompany transactions

Transactions, balances and unrealized profits relating to operations between Group companies are eliminated. Unrealized losses are similarly eliminated, unless the operation involves a loss in value of the asset transferred. The financial statements of the enterprises included in the scope of consolidation have been suitably adjusted, where necessary, to align them with the accounting principles adopted by the Group.

Associated companies

Associated companies are companies in which the Group exercises significant influence, as defined by IAS 28 - Investments in Associates and joint venture, but not control over financial and operating policies.
Investments in associated companies are accounted for with the equity method starting from the date the significant influence begins, up to when such influence ceases to exist.

Scope of consolidation

The scope of consolidation at June 30, 2024 include the following companies consolidated using the full consolidation method:

Name	Head office	Share capitale	Currency	% consolidated	Held by	% of equity investment
Parent Company						
Emak S.p.A.	Bagnolo in Piano - RE (I)	42,623,057	€			
Italy						
Comet S.p.A.	Reggio Emilia (I)	2,600,000	€	100.00	Emak S.p.A.	100.00
PTC S.r.l.	Rubiera - RE (I)	55,556	€	100.00	Comet S.p.A.	100.00
Sabart S.r.l.	Reggio Emilia (I)	1,900,000	€	100.00	Emak S.p.A.	100.00
Tecomec S.r.l.	Reggio Emilia (I)	1,580,000	€	100.00	Emak S.p.A.	100.00
Lavorwash S.p.A.	Pegognaga - MN (I)	3,186,161	€	98.92	Comet S.p.A.	98.92
Poli S.r.l. (1)	Colorno - PR (I)	60,000	€	100.00	Comet S.p.A.	80.00
Pnr Italia S.r.l.	Voghera - PV (I)	1,000,000	€	100.00	Tecomec S.r.l.	100.00
Europe						
Emak Suministros Espana SA	Getafe - Madrid (E)	270,459	€	90.00	Emak S.p.A.	90.00
Comet France SAS	Wolfisheim (F)	320,000	€	100.00	Comet S.p.A.	100.00
Emak Deutschland Gmbh	Fellbach - Oeffingen (D)	553,218	€	100.00	Emak S.p.A.	100.00
Emak France SAS	Rixheim (F)	2,000,000	€	100.00	Emak S.p.A.	100.00
Emak U.K. Ltd	Burntwood (UK)	342,090	GBP	100.00	Emak S.p.A.	100.00
Epicenter LLC	Kiev (UA)	19,026,200	UAH	100.00	Emak S.p.A.	100.00
Speed France SAS	Arnas (F)	300,000	€	100.00	Tecomec S.r.l.	100.00
Victus-Emak Sp. Z o.o.	Poznan (PL)	10,168,000	PLN	100.00	Emak S.p.A.	100.00
Lavorwash France S.A.S	La Courneuve (F)	37,000	€	98.91	Lavorwash S.p.A.	100.00
Lavorwash GB Ltd	St. Helens Merseyside (UK)	900,000	GBP	98.91	Lavorwash S.p.A.	100.00
Lavorwash Polska SP.ZOO	Bydgoszcz (PL)	163,500	PLN	98.91	Lavorwash S.p.A.	100.00
Lavorwash Iberica S.L.	Tarragona (E)	80,000	€	98.91	Lavorwash S.p.A.	100.00
Markusson Professional Grinders AB (2)	Rimbo (SE)	50,000	SEK	100.00	Tecomec S.r.l.	81.00
Trebol Maquinaria y Suministros S.A.	A Coruña (E)	75,000	€	83.33	Sabart S.r.l.	83.33
Pnr EE Sp. Z.o.o.	Poznan (PL)	5,000	PLN	100.00	Pnr Italia S.r.l.	100.00
Spraylab Western Europe GmbH	Freilassing (D)	25,000	€	100.00	Pnr Italia S.r.l.	100.00
Spraylab Northern Europe AB	Stoccolma (SE)	9,579	€	100.00	Pnr Italia S.r.l.	100.00
America						
Comet Usa Inc	Burnsville - Minnesota (USA)	231,090	USD	100.00	Comet S.p.A.	100.00
Comet do Brasil Industria e Comercio de Equipamentos Ltda	Indaiatuba (BR)	51,777,052	BRL	100.00	Comet S.p.A.	99.63
					PTC S.r.l.	0.37
Emak do Brasil Industria LTDA	Ribeirao Preto (BR)	23,557,909	BRL	100.00	Emak S.p.A.	99.99
					Comet do Brasil LTDA	0.01
PTC Waterblasting LLC	Burnsville - Minnesota (USA)	285,000	USD	100.00	Comet Usa Inc	100.00
S.I. Agro Mexico	Guadalajara (MEX)	1,000,000	MXN	100.00	Comet S.p.A.	97.00
					PTC S.r.l.	3.00
Speed South America S.p.A.	Providencia - Santiago (RCH)	444,850,860	CLP	100.00	Speed France SAS	100.00
Valley Industries LLP (3)	Paynesville - Minnesota (USA)	-	USD	100.00	Comet Usa Inc	94.00
Speed North America Inc.	Wooster - Ohio (USA)	10	USD	100.00	Speed France SAS	100.00
Lavorwash Brasil Ind. Ltda	Indaiatuba (BR)	34,285,838	BRL	98.91	Lavorwash S.p.A.	99.99
					Comet do Brasil LTDA	0.01
Spraycom comercio de pecas para agricoltura S.A.	Catanduva (BR)	533,410	BRL	51.00	Tecomec S.r.l.	51.00
Agres Sistemas Eletrônicos S.A. (4)	Pinais (BR)	1,047,000	BRL	100.00	Tecomec S.r.l.	95.50
PNR America LLC	Poughkeepsie - New York (USA)	1,000	USD	99.00	Pnr Italia S.r.l.	99.00
Rest of the world						
Jiangmen Emak Outdoor Power Equipment Co.Ltd	Jiangmen (RPC)	20,425,994	RMB	100.00	Emak S.p.A.	100.00
Ningbo Tecomec Manufacturing Co. Ltd	Ningbo City (RPC)	8,029,494	RMB	100.00	Tecomec S.r.l.	100.00
Tai Long (Zhuhai) Machinery Manufacturing Ltd	Zhuhai (RPC)	16,353,001	RMB	100.00	Emak S.p.A.	100.00
Speed Line South Africa Ltd	Pietermaritzburg (ZA)	100	ZAR	51.00	Speed France SAS	51.00
Yongkang Lavorwash Equipment Co. Ltd	Yongkang City (RPC)	63,016,019	RMB	98.91	Lavorwash S.p.A.	100.00
Yongkang Lavorwash Trading Co. Ltd	Yongkang City (RPC)	3,930,579	RMB	98.91	Lavorwash S.p.A.	100.00
Jiangmen Autech Equipment Co. Ltd	Jiangmen (RPC)	5,106,499	RMB	100.00	Emak S.p.A.	100.00
Other minorities						
Raw Power S.r.l.	Reggio Emilia (I)	75,292	€	24.00	Emak S.p.A.	24.00

1) Poli S.r.l. is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 20%.
(2) Markusson Professional Grinders AB is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 19%.
(3) Valley Industries LLP is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 6%.
(4) Agres Sistemas Eletrônicos S.A. is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 4.5%.

Compared to 31 December 2023 and 30 June 2023, the PNR Group entered the scope of consolidation, as of January 1, 2024, following the acquisition by Tecomec S.r.l. of the 79.995% of the share capital of the PNR Italia S.r.l. on January 15, 2024. Subsequently, on June 10, 2024, Tecomec S.r.l. proceeded to acquire the remaining 19.005% of the share capital of PNR Italia S.r.l.

As of June 30, 2023, the income statement of the company Bestway LLC (acquired by Valley LLP on February 1, 2023, and subsequently merged by incorporation by the buyer) had been consolidated for five months.

The **associated company** Raw Power S.r.l., with headquarters in Reggio Emilia (Italy) and share capital of € 75,292, is 24% held by Emak S.p.A. and consolidated starting from the first quarter of 2023 with the equity method.

2.3 Translation differences

Functional currency and presentation currency

Transactions included in the financial statements of each group company are recorded using the currency of the primary economic environment in which the company operates (functional currency). The consolidated financial statements are presented in Euro, the functional and presentation currency of the Parent Company.

Transactions and balances

Transactions in foreign currencies are translated at the exchange rates at the dates of the transactions. Gains and losses arising from foreign exchange receipts and payments in foreign currency and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

Consolidation of foreign companies financial statements

The financial statements of all Group companies with functional currency different from the presentation currency of the consolidated financial statements are translated as follows:

(i) assets and liabilities are translated at the closing rate on the statement of financial position date;
(ii) income and expenses are translated at the average rate for the period;
(iii) all translation differences are recognized as a separate reserve under equity ("cumulative translation adjustment");
(iv) the other residual transactions are recorded at the specific exchange rate of the transaction.

The main exchange rates used for the translation in Euro of the financial statements expressed in foreign currencies are the following:

31.12.2023	Amount of foreign for 1 Euro	Average 1H 2024	30.06.2024	Average 1H 2023	30.06.2023
0.87	GB Pounds (UK)	0.85	0.85	0.88	0.86
7.85	Renminbi (China)	7.80	7.77	7.49	7.90
1.11	Dollar (Usa)	1.08	1.07	1.08	1.09
4.34	Zloty (Poland)	4.32	4.31	4.62	4.44
20.35	Zar (South Africa)	20.25	19.50	19.68	20.58
42.00	Uah (Ukraine)	42.20	43.27	39.52	39.70
5.36	Real (Brazil)	5.49	5.89	5.48	5.28
10.93	Dirham (Morocco)	-	-	11.02	10.76
18.72	Mexican Pesos (Mexico)	18.51	19.57	19.65	18.56
977.07	Chilean Pesos (Chile)	1,016.24	1,021.54	871.11	872.59
11.10	Swedish krona (Sweden)	11.39	11.36	11.33	11.81

2.4 Description of accounting policies applied to individual items

Details of the accounting policies applied to individual items within the financial statements can be found in sections from 2.4 to 2.28 of the explanatory notes to the consolidated financial statements at 31 December 2023.

2.5 Changes in accounting standards and new accounting standards

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE SINCE JANUARY 1, 2024

The following IFRS accounting standards, amendments and interpretations were first adopted by the Group starting January 1, 2024:

- On January 23, 2020, the IASB published an amendment called "**Amendments to IAS 1 Presentation of Financial statements: Classification of liabilities as current or non-current**" and on 31 October 2022 published an amendment called ***"Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants"***. These changes aim to clarify how to classify short- or long-term debts and other liabilities. Furthermore, the amendments also enhance the information that an entity must provide when its right to defer the settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e., covenants). The adoption of this amendment has not had any effects on the Group's consolidated financial statements.

- On September 2022 the IASB published an amendment called "***Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback".*** The document requires the seller-lessee to value the lease liability arising from a sale & leaseback transaction so as not to recognize an income or loss that refers to the retained right of use. The adoption of this amendment has not had any effects on the Group's consolidated financial statements.

- On May 25, 2023, the IASB published an amendment entitled **'Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements'**. The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how supplier finance arrangements may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The adoption of this amendment has not had any effects on the Group's consolidated financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS INTERNATIONAL FINANCIAL REPORTING STANDARDS NOT YET APPROVED BY THE EUROPEAN UNION
At the reference date of this document, the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the amendments and principles described below.

- On May 30, 2024, the IASB published the document "***Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7***". The document clarifies certain problematic aspects that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (i.e., green bonds). Specifically, the amendments aim to:
    - clarify the classification of financial assets with variable returns linked to environmental, social, and corporate governance (ESG) objectives and the criteria to be used for the SPPI test assessment;
    - determine that the settlement date for liabilities settled through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to derecognize a financial liability before delivering cash on the settlement date under certain specific conditions.

With these amendments, the IASB has also introduced additional disclosure requirements, particularly concerning investments in equity instruments designated at FVOCI.

The amendments will apply to financial statements for periods beginning starting from January 1, 2026. The Directors are currently assessing the potential impacts of introducing this new standard on the Group's consolidated financial statements.

- On May 9, 2024, the IASB published a new standard, ***IFRS 19 Subsidiaries without Public Accountability: Disclosures***. The new standard introduces certain simplifications regarding the disclosures required by other IAS-IFRS standards. This standard can be applied by an entity that meets the following main criteria:
  - it is a subsidiary;
  - it has not issued, and is not in the process of issuing, equity or debt instruments in a public market;
  - it has a parent company that prepares consolidated financial statements in accordance with IFRS.

  The new standard will come into effect on January 1, 2027, but earlier application is permitted. The Directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this amendment.

- On April 9, 2024, the IASB published a new standard, ***IFRS 18 Presentation and Disclosure in Financial Statements***, which will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of the primary financial statements and introduces significant changes to the income statement format. Specifically, the new standard requires:
  - classifying revenues and expenses into three new categories (operating section, investing section, and financing section), in addition to the existing categories of taxes and discontinued operations in the income statement;;
  - presenting two new subtotals, operating profit and earnings before interest and taxes (EBIT).

  The new standard also:
  - requires more information on performance indicators defined by management;
  - introduces new criteria for the aggregation and disaggregation of information; and,
  - introduces some changes to the cash flow statement format, including the requirement to use operating profit as the starting point for presenting the cash flow statement prepared using the indirect method, and the elimination of certain existing classification options (such as interest paid, interest received, dividends paid, and dividends received).

  The new standard will come into effect on January 1, 2027, but earlier application is permitted. The Directors are currently assessing the potential impacts of introducing this new standard on the Group's consolidated financial statements.

- On August 15, 2023 the IASB published an amendment entitled ***"Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability".*** The document requires an entity to apply a consistent methodology to determine whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to use and the disclosure to provide in the notes to the financial statements. The amendments will apply from 1 January 2025, but earlier application is permitted. The Directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this amendment.

- On January 30, 2014, IASB published **IFRS 14 – Regulatory Defense Accounts**, which allows only those who adopt IFRS for the first time to continue to record the amounts relating to activities subject to regulated tariffs ("Rate Regulation Activities") according to the previous accounting principles adopted. Since the Group is not a first-time adopter, this principle is not applicable.

3. Capital and financial risk management

The Group's objectives for managing capital are:

a) to safeguard the ability to continue operating as a going concern;
b) to provide an adequate return for shareholders.

Details can be found in the explanatory notes to the consolidated financial statements at 31 December 2023.

The Group is exposed to a variety of financial risks associated with its business activities:

- market risks, with particular reference to exchange and interest rates and market price, since the Group operates at an international level in different currencies and uses financial instruments that generate interest;
- credit risk, regarding both normal commercial relations and to financing activities;
- liquidity risk, with particular reference to the availability of financial resources and to access to the credit market.

The Group constantly monitors the financial risks to which it is exposed, so as to minimize the potential negative effects on financial results.

The Group's exposure to financial risks has not undergone significant changes compared to 31 December 2023.

4. Key accounting estimates and assumptions and disclosure of contingent assets and liabilities

The preparation of the financial statements and the related notes under IFRS has required management to make estimates and assumptions affecting the value of reported assets and liabilities and the disclosures relating to potential assets and liabilities at the balance sheet date. Actual results could differ from these estimates. Estimates are used for recording provisions for doubtful accounts and inventory obsolescence, amortization and depreciation, write-downs to assets, employee benefits, taxes, other provisions, liabilities for the purchase of the minority shareholding, liabilities for leasing and rights of use. Estimates and assumptions are reviewed periodically and the effects of any change are immediately reflected in the income statement.

5. Significant non-recurring events and transactions

<u>Acquisition of PNR Group</u>

On 15 January 2024 the subsidiary Tecomec S.r.l. concluded the acquisition of the PNR group, headquartered in Voghera (Italy), made up of 5 target companies (4 in Europe and 1 in the USA) and a total of 120 employees. The target companies are active in the design, production and marketing of components for industrial cleaning with applications in related sectors such as high-pressure washing and agriculture and in diversified sectors, such as metal, paper, chemical, pharmaceutical and food.

The pro forma results of the acquired Group for 2023 show a consolidated turnover of over 15 million euros, a normalized EBITDA margin estimated in the order of 22%.

The deal has guaranteed the 79.995% of the shares from the majority shareholder for a price equal to 11.9 million euros and a call option lasting in 12 months in favour of Tecomec S.r.l. for the remaining shares owned by the minority shareholder.
Simultaneously with the signing of the purchase contract, the parent company Pnr Italia S.r.l. paid 1.6 million euros as consideration for the acquisition of the shares of the other 4 target companies involved in the deal, pursuant to the overall agreements signed.

The fair value of the assets and liabilities of the pro forma PNR subgroup subject to acquisition of the controlling interest determined on the basis of the financial statements of December 31, 2023 and the price paid are detailed below:

€/000	Book values	Fair Value adjustments	Fair value of acquired assets and liabilities
Non-current assets			
Property, plant and equipment	4,033	-	4,033
Intangible fixed assets	141	5,313	5,454
Rights of use	2,122	-	2,122
Goodwill	0	-	0
Deferred tax assets	424	-	424
Other non current financial assets	39	-	39
Current assets			
Inventories	4,626	-	4,626
Trade and other receivables	3,803	-	3,803
Current tax receivables	243	-	243
Cash and cash equivalents	1,511	-	1,511
Non-current liabilities			
Loans and borrowings due to banks and other lenders	(506)	-	(506)
Liabilities for leasing	(1,822)		(1,822)
Employee benefits	(507)	-	(507)
Provisions for risks and charges	(81)	-	(81)
Deferred tax liabilities		(1,482)	(1,482)
Current liabilities			
Trade and other payables	(2,272)	-	(2,272)
Current tax liabilities	(478)	-	(478)
Loans and borrowings due to banks and other lenders	(1,133)	-	(1,133)
Liabilities for leasing	(300)	-	(300)
Total net assets	**9,843**	**3,831**	**13,674**
% interest held			**79.995%**
Equity of the Group acquired			**10,938**
Goodwill			**962**
Value of the share acquired			**11,900**
Purchase price paid			**11,900**
Cash and cash equivalents			1,511
Net cash outflow			**10,389**

The difference between the acquisition price paid and the fair value of the assets, liabilities and contingent liabilities at the acquisition date was recognized as goodwill.

The fair value adjustments refer to the valuation of the customer list of the acquired entities carried out during the Purchase Price Allocation as required by IFRS 3, amounting to € 5,313 thousand, and the related tax effects. The process of determining the fair value of the acquired assets and liabilities did not lead to the identification of further adjustments to be made to the respective book values, furthermore, the evaluation did not reveal any unreflected contingent liabilities.
The determination of the fair value of the acquired assets and liabilities has been performed under valuation methodologies recognized as best practice; in particular, the Multiperiod Excess Earnings Method has been considered for the customer list. The useful life of the acquired customer list has been estimated based on their turnover rate at 11 years.

The fair values of the assets, liabilities and contingent liabilities acquired were determined, in compliance with the provisions of IFRS 3 "Business Combinations", on a provisional basis, as the related valuation processes are still in progress.

On June 10, 2024, Tecomec S.r.l. exercised the call option to purchase the remaining 20.005% for a consideration of 1.5 million Euros, simultaneously paying 0.3 million Euros. The payment of the balance, amounting to 1.2 million Euros, is expected by October 31, 2024.

The effects of the acquisition of the remaining 20% of the PNR Group, being subsequent to the transfer of control of the same, have been directly recognized in equity, as a transaction between shareholders.

6. Segment information

IFRS 8 provides for information to be given for certain items in the financial statements on the basis of the operational segments of the company.

An operating segment is a component of a company:

a) that carries on business activities generating costs and revenues;
b) whose operating results are reviewed on a periodic basis at the highest executive levels for the purpose of taking decisions about resources to be allocated to the segment and for the evaluation of results;
c) for which separate reporting information is available.

IFRS 8 is based on the so-called "*Management approach*", which defines sectors exclusively on the basis of the internal organizational and reporting structure used to assess performance and allocate resources.

According to these definitions, the operating segments of Emak Group are represented by three Divisions/ Business Units with which develops, manufactures and distributes its range of products:

- Outdoor Power Equipment (products for gardening, forestry and small agricultural equipment, such as brushcutters, lawnmowers, garden tractors, chainsaws, tillers and walking tractors);
- Pumps and Water Jetting (membrane pumps for the agricultural sector - spraying and weeding - piston pumps for the industrial sector, professional and semi-professional high-pressure washers, hydrodynamic units and urban cleaning machines);
- Components and Accessories (line and heads for brushcutters, cables for agricultural applications, chainsaw accessories, guns, nozzles and valves for high pressure washers and agricultural applications, precision farming such as sensors and computers, technical seats and spare parts for tractors).

The Directors separately observe the results by business segment in order to make decisions about resource allocation and performance verification.

The performance of the segment is evaluated on the basis of the measured result that is consistent with the result of the consolidated financial statements.

Below are the main economic and financial data broken down by operating segment:

	OUTDOOR POWER EQUIPMENT		PUMPS AND WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
€/000	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**
Sales to third parties	110,465	106,638	140,354	139,846	94,620	84,672			**345,439**	**331,156**
Intersegment sales	233	227	1,198	1,921	5,602	4,431	(7,033)	(6,579)		
Revenues from sales	110,698	106,865	141,552	141,767	100,222	89,103	(7,033)	(6,579)	**345,439**	**331,156**
Ebitda (*)	9,654	12,476	17,214	21,857	18,207	15,698	(1,358)	(1,189)	**43,717**	**48,842**
Ebitda/Total Revenues %	*8.7%*	*11.7%*	*12.2%*	*15.4%*	*18.2%*	*17.6%*			***12.7%***	***14.7%***
Ebitda before non ordinary expenses (*)	10,508	12,476	17,269	22,315	18,517	15,807	(1,358)	(1,189)	**44,936**	**49,409**
Ebitda before non ordinary expenses/Total Revenues %	*9.5%*	*11.7%*	*12.2%*	*15.7%*	*18.5%*	*17.7%*			***13.0%***	***14.9%***
Operating result	5,698	8,649	11,300	16,582	12,214	10,784	(1,358)	(1,189)	**27,854**	**34,826**
Operating result/Total Revenues %	*5.1%*	*8.1%*	*8.0%*	*11.7%*	*12.2%*	*12.1%*			***8.1%***	***10.5%***
Net financial expenses (1)									**(7,466)**	**(5,129)**
Profit befor taxes									**20,388**	**29,697**
Income taxes									**(6,079)**	**(7,639)**
Net profit									**14,309**	**22,058**
Net profit/Total Revenues%									***4.1%***	***6.7%***
(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	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**
Net debt (*)	8,224	11,174	142,016	134,618	62,644	45,703	0	0	**212,884**	**191,495**
Shareholders' Equity	188,848	185,337	98,295	99,670	80,826	76,978	(78,507)	(78,318)	**289,462**	**283,667**
Total Shareholders' Equity and Net debt	197,072	196,511	240,311	234,288	143,470	122,681	(78,507)	(78,318)	**502,346**	**475,162**
Net non-current assets (2) (*)	122,326	122,370	114,238	116,156	71,391	60,261	(75,165)	(75,212)	**232,790**	**223,575**
Net working capital (*)	74,746	74,141	126,073	118,132	72,079	62,420	(3,342)	(3,106)	**269,556**	**251,587**
Total net capital employed (*)	197,072	196,511	240,311	234,288	143,470	122,681	(78,507)	(78,318)	**502,346**	**475,162**
(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	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**	**30.06.2024**	**31.12.2023**
Number of employees at period end	720	725	987	959	800	669	9	9	**2,516**	**2,362**
OTHER INFORMATIONS	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**	**30.06.2024**	**30.06.2023**
Amortization, depreciation and impairment losses	3,956	3,827	5,914	5,275	5,993	4,914			**15,863**	**14,016**
Investment in property, plant and equipment and in intangible assets	3,176	2,714	3,916	4,181	4,047	3,891			**11,139**	**10,786**

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

For the comments of the economic and financial data, reference should be made to chapter 4 of the Directors' Report.

7. Balances or transactions arising from atypical and unusual operations

No events/operations as per Consob Communication DEM/6064293 of 28 July 2006 have been recorded during the first half of 2024. As indicated in this Communication "atypical and/or unusual operations are considered as operations that, due to their significance/materiality, the nature of the counterparties, the object of the transaction, the means for determining the transfer price and the time of the event (near the close of the period), may give rise to doubts with regards to: the correctness/completeness of the information in the financial statements, conflicts of interest, the protection of company assets, the safeguarding of minority interests.

8. Net financial positions

The table below shows the details of net financial position, which includes the net financial debt determined according to ESMA criteria (based on the format required by Consob communication no. 5/21 of 29 April 2021):

(€/000)	30.06.2024	31.12.2023	30.06.2023
A. Cash	83,675	75,661	47,947
B. Cash equivalents	-	-	-
C. Other current financial assets	909	1,087	2,147
D. Liquidity funds (A+B+C)	**84,584**	**76,748**	**50,094**
E. Current financial debt	(24,274)	(24,304)	(17,116)
F. Current portion of non-current financial debt	(66,949)	(70,226)	(60,209)
G. Current financial indebtedness (E + F)	**(91,223)**	**(94,530)**	**(77,325)**
H. Net current financial indebtedness (G - D)	**(6,639)**	**(17,782)**	**(27,231)**
I. Non-current financial debt	(207,390)	(174,980)	(187,053)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I + J + K)	**(207,390)**	**(174,980)**	**(187,053)**
M. Total financial indebtedness (H + L) (ESMA)	**(214,029)**	**(192,762)**	**(214,284)**
N. Non current financial receivables	1,145	1,267	1,235
O. Net financial position (M-N)	**(212,884)**	**(191,495)**	**(213,049)**
Effect IFRS 16	**45,216**	**43,936**	**43,593**
Net financial position without effect IFRS 16	**(167,668)**	**(147,559)**	**(169,456)**

Net financial position at June 30, 2024, includes € 5,858 thousand (€ 6,034 thousand at December 31, 2023), referring to payables for the purchase of the remaining minority shareholding subject to Put & Call Options. These debts refer to the purchase of investments in the following companies:
- Markusson for an amount of € 2,116 thousand;
- Agres for an amount of € 1,060 thousand;
- Valley LLP for an amount of € 1,074 thousand;
- Poli S.r.l. for an amount of € 1,608 thousand;

Net financial position also include the debt related to the deferred payment of the minority share already acquired in June 2024 of PNR S.r.l., for an amount of € 1,200 thousand.

Non-current portion of the payables for the purchase of equity investments, recorded in the item "Non current financial debt", above is equal to € 3,000 thousand while the current portion of payables for the purchase of equity investments, recorded in the item "Current financial debt", is equal to € 4,058 thousand.

Net financial position at June 30, 2024, includes, in the items referring to "Financial debts", financial liabilities for € 45,216 thousand (€ 43,936 thousand at December 31, 2023), of which € 8,187 thousand as a current portion (€ 7,503 thousand at December 31, 2023), deriving from the application of IFRS 16- Leases.

Net financial also includes liabilities for leasing to related parties for an amount of € 12,831 thousand, of which € 1,849 thousand as a short term attributable to the application of the IFRS 16 to the rental contracts that some Group companies enter into with the associated company Yama immobiliare S.r.l.

Financial receivables mainly include deposits to guarantee potential liabilities. Other current financial assets mainly relate to the fair value of derivative financial instruments.

For the purposes of the debt declaration pursuant to Consob Communication no. 5/21 of April 29, 2021, there is no indirect debt or debt subject to conditions that has not been directly recognized in the consolidated financial statements, nor are there any significant differences with reference to the obligations arising and registered but whose final amount is not still been determined with certainty.

9. Revenues from sales and other operating income

Details of revenues from sales are as follows:

€/000	1 H 2024	1 H 2023
Net sales revenues (net of discounts and rebates)	343,282	329,084
Revenues from recharged transport costs	3,154	2,824
Returns	(997)	(752)
Total	**345,439**	**331,156**

The increase in "Revenues" compared to the corresponding period of the previous year is mainly due to the expansion of the consolidation area.
The effect on revenues for the half year of the inclusion of the “Bestway AG” business in the scope of consolidation was approximately € 3.5 million, while the effect of the inclusion of PNR Group was about € 7.7 million.

Other operating income is analyzed as follows:

€/000	1 H 2024	1 H 2023
Grants related to income and assets	473	963
Revenues for rents	306	318
Recovery of other costs	251	388
Advertising reimbursement	116	70
Capital gains on property, plant and equipment	145	126
Insurance refunds	10	36
Other operating income	617	574
Total	**1,918**	**2,475**

The item “Grants related to income and assets” mainly includes tax credits and other accruals for non-repayable grant, which have decreased compared to the same period due to the expiration of certain previously provided incentives.

10. Cost of raw materials, consumable and goods

The cost of raw materials, semi-finished products and goods is analyzed as follows:

€/000	1 H 2024	1 H 2023
Raw materials, semi-finished products and goods	172,442	167,330
Other purchases	2,323	2,292
Development costs capitalized	(122)	(68)
Total	**174,643**	**169,554**

The increase in "Cost of raw materials, consumable and goods" is mainly due to the change in the scope of consolidation.

11. Personnel expenses

Details of these costs are as follows:

€/000	1 H 2024	1 H 2023
Wage and salaries	43,310	37,874
Social security charges	12,126	10,458
Employee termination indemnities	1,607	1,509
Other costs	1,674	1,454
Directors' emoluments	573	536
Temporary staff	3,543	2,016
Development costs capitalized	(578)	(253)
Total	**62,255**	**53,594**

Personnel expenses increased compared to the same period of the previous year due to the change in the scope of consolidation, the greater use of temporary workers and the dynamics of labor costs also affected by contractual increases.

During the first half of 2024, personnel costs for € 578 thousand were capitalized under intangible fixed assets (€ 253 thousand at 30 June 2023), referring to the costs for the development of new products.

12. Other operating costs and provisions

Details of these costs are as follows:

€/000	1 H 2024	1 H 2023
Subcontract work	6,782	7,299
Maintenance	4,412	4,060
Trasportation and duties	15,802	12,787
Advertising and promotion	3,399	3,026
Commissions	5,938	5,345
Travel	2,371	2,083
Consulting fees	3,579	3,292
Other services	11,920	11,524
Development costs capitalized	(5)	(107)
Services	**54,198**	**49,309**
Rents, rentals and the enjoyment of third party assets	**2,382**	**2,254**
Increases in provisions	**773**	**398**
Other operating costs	**2,787**	**2,261**
Total	**60,140**	**54,222**

The increase in transportation costs is mainly attributable to the geopolitical tensions in the Red Sea which have led to the redefinition of commercial routes, resulting in higher costs and longer delivery times.

13.Amortization, depreciation and impairment losses

Details of these amounts are as follows:

€/000	1 H 2024	1 H 2023
Amortization of intangible assets (note 18)	3,804	3,153
Depreciaton of property, plant and equipment (note 17)	7,517	7,030
Amortization of rights of use (note 19)	4,542	3,833
Total	**15,863**	**14,016**

The amortization and depreciation at June 30, 2024 amounted to € 15,863 thousand.
The increase in amortization is due to the change in the scope of consolidation for approximately € 950 thousand.
The item Amortization of rights of use includes the amortization of rights of use recognized among non-current assets in application of IFRS 16 - *Leases*.
Amortization is calculated based on the duration of the contracts, taking into account the reasonableness of the probable renewals where they are contractually provided for.

14. Financial income and expenses, exchange gains and losses and Income from/(expenses on) equity investment

"**Financial income**" is analyzed as follows:

€/000	1 H 2024	1 H 2023
Cash management interest	832	361
Income from adjustment to fair value and fixing of derived instruments for hedging interest rate risk	885	1,364
Financial income of debt adjustment estimate for purchase commitment of remaining shares of subsidiaries	21	-
Other financial income	246	194
Financial income	**1,984**	**1,919**

The "Financial income of debt adjustment estimate for purchase commitment of remaining shares of subsidiaries", equal to € 21 thousand at 30 June 2024, referred to the adjustment estimate of the debt for the purchase of the remaining shares of Valley Industries LLP subject to Put & Call option for the purchase of the remaining 6% of the company. At June 30,2023 a negative adjustment of € 526 thousand had been recorded.

The item "Cash management interest" mainly refers to interest accrued on cash investment operations.

With reference to the income from fair value adjustments and fixing of derivative instruments, please refer to paragraph 23 of these Explanatory Notes.

"Financial expenses" are analyzed as follows:

€/000	1 H 2024	1 H 2023
Interest on medium long-term bank loans and borrowings	6,447	4,957
Financial charges from leases	924	661
Interest on short-term bank loans and borrowings	742	642
Costs from adjustment to fair value and fixing of derived instruments for hedging interest rate risk	229	1,232
Financial charges of debt adjustment estimate for purchase commitment of remaining shares of subsidiaries	-	526
Financial expenses from discounting debts	25	30
Financial charges from valuing employee terminations indemnities	67	15
Other financial costs	369	202
Financial expenses	**8,803**	**8,265**

The increase in the “interest on medium long-term bank loan and borrowings” is related to the increase in interest rates and to the bank indebtedness.

The “Financial expenses from discounting debts” refer to the implicit interest deriving from the discounting of debts.

The item “Financial charges from leases” refers to interest on financial liabilities recorded in accordance with accounting standard IFRS 16 – *Leases*.

Reference should be made to Note 23 for more details on interest rate hedging derivatives risk.

Details of “**exchange gains and losses”** are as follows:

€/000	1 H 2024	1 H 2023
Profit / (Loss) on exchange differences on trade transactions	(59)	10
Profit / (Loss) on exchange differences on trade transactions adjustments	(491)	2,029
Profit / (Loss) on exchange differences on financial transactions	(258)	211
Profit / (Loss) on exchange differences on valuation of hedging derivatives	168	(1,019)
Exchange gains and losses	**(640)**	**1,231**

The exchange rate management 2024 is negative for € 640 thousand (compared to a positive value of € 1,231 thousand for the same period of last year).
Foreign exchange management was negatively affected by the devaluation of the Brazilian real against euro and the US dollar.

The item “**Income from/(expenses on) equity investment**”, equal to a negative value of € 7 thousand (compared to a negative value of € 14 thousand for the same period last year), relates to the valuation according to the equity method of the investment in the associated company Raw Power S.r.l.

15. Income taxes

The estimated tax burden for the first half of 2024 of current, deferred tax assets and liabilities amounted to € 6,079 thousand (€ 7,639 thousand in the corresponding period of the previous year) equal to an effective tax rate of 29.8%, an increase compared to tax rate of 25.7% for the same period of the previous year, mainly due to a different distribution of incomes within the Group deferred tax assets on tax losses not recognized by some subsidiaries not adequately supported by a multi-year tax plan.

16. Earnings per share

“Basic" earnings per share are calculated by dividing the net profit for the period attributable to the Parent company's shareholders by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased or held by the Parent company as treasury shares. The Parent company has only ordinary shares outstanding.

	1H 2024	1H 2023
Net profit attributable to ordinary shareholders in the parent company (€/000)	13,960	21,525
Weighted average number of ordinary shares outstanding	162,837,602	162,837,602
Basic earnings per share (€)	**0.086**	**0.132**

Diluted earnings per share are the same as basic earnings per share.

17.Property, plant and equipment

Changes in property, plant and equipment are shown below:

€/000	31.12.2023	Change in scope of consolidation Increase	Increase/ (Amortizations)	Decrease	Reclassification	Exchange difference	30.06.2024
Land and buildings	59,446	2,690	111			178	62,425
Accumulated depreciation	(26,442)	(1,483)	(785)			(62)	(28,772)
Land and buildings	**33,004**	**1,207**	**(674)**	**-**	**-**	**116**	**33,653**
Plant and machinery	137,339	5,850	3,553	(1,032)	1,191	269	147,170
Accumulated depreciation	(104,451)	(3,564)	(3,965)	616	16	(239)	(111,587)
Plant and machinery	**32,888**	**2,286**	**(412)**	**(416)**	**1,207**	**30**	**35,583**
Other assets	144,030	2,808	2,254	(1,290)	1,083	(179)	148,706
Accumulated depreciation	(128,821)	(2,287)	(2,766)	1,274	(13)	18	(132,595)
Other assets	**15,209**	**521**	**(512)**	**(16)**	**1,070**	**(161)**	**16,111**
Advances and fixed assets in progress	**4,920**	**19**	**2,333**	**(35)**	**(2,257)**	**12**	**4,992**
Cost	**345,735**	**11,367**	**8,251**	**(2,357)**	**17**	**280**	**363,293**
Accumulated depreciation (note 13)	**(259,714)**	**(7,334)**	**(7,517)**	**1,890**	**3**	**(283)**	**(272,955)**
Net book value	**86,021**	**4,033**	**734**	**(467)**	**20**	**(3)**	**90,338**

Tangible fixed assets of PNR Group at the date of entry into the consolidation area, they amounted to € 4,033 thousand.

Increases refer mainly to investments:

1. in equipment for the development of new products and new technologies;
2. in renewal projects of the IT system;
3. in the upgrading and modernization of production lines;
4. in the upgrading of production systems and infrastructures;
5. in the cyclical renewal of production and industrial equipment.

18. Intangible assets

Intangible assets report the following changes:

€/000	31.12.2023	Change in scope of consolidation Increase	Increases	Amortizations	Exchange difference	Reclassification	30.06.2024
Development costs	**4,008**	-	694	(845)	(132)	-	**3,725**
Patents and software	**3,697**	66	1,033	(1,055)	(12)	201	**3,930**
Concessions, licences and trademarks	**8,182**	-	130	(518)	118	-	**7,912**
Other intangible assets	**10,503**	5,388	795	(1,386)	(139)	2,148	**17,309**
Advances and fixed assets in progress	**2,838**	-	236	-	(1)	(2,369)	**704**
Net book value (note 13)	**29,228**	**5,454**	**2,888**	**(3,804)**	**(166)**	**(20)**	**33,580**

Intangible fixed assets of PNR Group at the date of entry into the consolidation area, they amounted to € 5,454 thousand and mainly relate to the value attributed to the customer list at the acquisition date, whose useful life has been estimated by the Administrators to be 11 years.

The increase in the semester mainly refers to the investments for the development of new products and for the adoption of software related to greater efficiency and safety of processes.

19.Rights of use

The movement of the item "Rights of use" is set out below:

€/000	31.12.2023	Change in scope of consolidation	Increases	Amortizations	Decreases	Exchange difference	30.06.2024
Rights of use buildings	39,931	1,823	1,832	(3,777)	(10)	76	39,875
Rights of use other assets	1,976	299	1,458	(765)	(4)	(17)	2,947
Net book value (note 13)	41,907	2,122	3,290	(4,542)	(14)	59	42,822

The increases for the year are mainly related to the signing of new lease contracts for buildings owned by third parties, which expired during the year, for identical underlying assets, while the rights of use of PNR Group amounted to € 2,122 thousand.

20.Goodwill

The goodwill of € 72,422 thousand reported at June 30, 2024 is detailed below:

Cash Generating Unit (CGU)	*Country*	Description	31.12.2023	Change in scope of consolidation	Exchange differences	30.06.2024
Victus	Poland	Goodwill recorded in Victus IT	5,608	-	40	5,648
Tecomec	Italy	Goodwill recorded in Tecomec Group	2,807	-	-	2,807
Speed France	France	Goodwill recorded in Speed France	2,854	-	-	2,854
Comet	Italy	Goodwill recorded in Comet Group	4,253	-	-	4,253
PTC	Italy	Goodwill recorded in PTC	1,236	-	-	1,236
Valley	USA	Goodwill recorded in Valley LLP, A1 and Bestway	13,746	-	443	14,189
Tecomec	Italy	Goodwill Geoline Electronic S.r.l. recorded in Tecomec S.r.l.	901	-	-	901
S.I.Agro Mexico	Mexico	Goodwill recorded in S.I.Agro Mexico	634	-	-	634
Comet do Brasil	Brazil	Goodwill Lemasa LTDA recorded in Comet do Brasil	10,367	-	(833)	9,534
Lavorwash	Italy	Goodwill recorded in Lavorwash Group	17,490	-	-	17,490
Spraycom	Brazil	Goodwill recorded in Spraycom	200	-	-	200
Markusson	Sweden	Goodwill recorded in Markusson	1,589	-	(37)	1,552
Agres	Brazil	Goodwill recorded in Agres	7,863	-	(707)	7,156
Poli	Italy	Goodwill recorded in Poli	1,815	-	-	1,815
Trebol	Spain	Goodwill recorded in Trebol	1,191	-	-	1,191
PNR	Italy	Goodwill recorded in PNR Group	-	962	-	962
		Total	**72,554**	**962**	**(1,094)**	**72,422**

The difference compared to December 31, 2023, is due to the change in consolidation exchange rates, for € 1,094 thousand, and to the acquisitions of the PNR Group for € 962 thousand which emerges from the difference between the 80% acquisition price and the fair value of the net assets of the Group following the acquisition carried out in January 2024. The acquisition of the 20% remaining share made in June 2024 did not result in the recognition of additional goodwill having been concluded after the acquisition of control.

For the purposes of preparing the Half-Year Financial Report, Management verified the presence of any indicators that could lead to the presumption of an impairment in the value of the registered goodwill.
The analysis took into consideration external and internal factors and in particular evaluated the deviations of the actual data at June 2024 compared to the budget data and the level of *headroom* of the impairment tests carried out at 31 December 2023.

As a result of the analyses carried out and in particular taking into account: i) the analyses conducted on the actual results as of June 30, 2024 of the Group's companies, which did not indicate the need to revise the related multi-year business plans, ii) the trend of market rates, decreased compared to December 31, 2023, and iii) the levels of *headroom* of the impairments carried out as of December 31, 2023, the Directors did not identify any indicators requiring the need to activate impairment test procedures to assess the recoverability of individual goodwill as of June 30, 2024.

It is also reported that the persistence of uncertainty on the financial markets has confirmed the performance of the Emak share with a market capitalization level lower than the Group's equity as at 30 June 2024. The Directors, taking into account the size of the headroom of the so-called impairment test of "second level" carried out in preparing the financial statements as at 31 December 2023, and the expected trends did not identify the presence of indicators such as to activate the impairment test procedures for the purpose of assessing the recoverability of the value of the consolidated net invested capital as at 30 June 2024.

21.Equity investments in other companies and Investments in associates

The item "**Equity investments in other companies**" amounts to € 8 thousand and the same are not subject to impairment losses, risks and benefits associated with the possession of the investment are negligible.

The item " **Income from/(expenses on) equity investment**", amounting to € 795 thousand, refers to the value of the share pertaining to the Group in associates obtained with the application of the equity method.
In particular, the item refers to the company Raw Power S.r.l., which entered the scope of consolidation starting from 22 February 2023.
The value of the equity investments in associated companies was adjusted as at 30 June 2024 for a negative value of € 7 thousand, recorded under the Income Statement item " Income from/(expenses on) equity investment ".

22. Other financial assets

Other financial assets amount to € 1,145 thousand, which is non-current portion, and € 74 thousand as current portion and refer mainly to:

- an amount of € 448 thousand relating to guarantee deposits, entered under the non-current assets;
- an amount of € 584 thousand relating to sureties, recorded under non-current assets;
- an overall amount of € 111 thousand, of which € 37 thousand as a non-current portion and € 74 thousand as a current portion, corresponding to the receivable due from the parent company, Yama S.p.A. by way of a capital replenishment made to the Group for expenses incurred by a number of companies and relating to the period on which Yama S.p.A. exercised control over them.

23.Derivative financial instruments

The financial statements values relate to changes in the fair value of financial instruments for:
- hedging purchases and sales in foreign currency;
- hedging the risk of changes in interest rates.

All derivative financial instruments are valued at fair value at the second hierarchical level: the estimate of their fair value has been carried out using variables other than prices quoted in active markets and which are observable (on the market) either directly (prices) or indirectly (derived from prices).

In the case in point, the fair value recorded is equal to the “market to market” estimation provided by the reference banks, which represents the current market value of each contract calculated at the closing date of the Financial Statements.

Accounting for the underexposed instruments is at fair value. According to the IFRS principles these effects were accounted in the income statement of the current year.

The current value of these contracts at June 30, 2024 is shown as follows:

€/000	30.06.2024	31.12.2023
Positive *fair value* assessment exchange rate hedge and options	58	13
Positive *fair value* assessment IRS and interest rate options	777	1,015
Total derivative financial instrument assets	**835**	**1,028**
Negative *fair value* assessment exchange rate hedge and options	20	220
Negative fair value assessment IRS and interest rate options	102	383
Total derivative financial instrument liabilities	**122**	**603**

24. Trade and other receivables

Details of these amounts are as follows:

€/000	30.06.2024	31.12.2023
Trade receivables	163,831	118,247
Provision for doubtful accounts	(5,746)	(4,695)
Net trade receivables	**158,085**	**113,552**
Trade receivables from related parties (note 35)	584	332
Prepaid expenses and accrued income	4,759	3,157
Other receivables	5,783	4,895
Total current portion	**169,211**	**121,936**
Other non current receivables	97	96
Total non current portion	**97**	**96**

The change in trade receivables is attributable to the well-known seasonal effects as well as the change in the scope of consolidation, the impact of which amounts to approximately € 3,500 thousand.
The creditworthiness of customers is confirmed at good levels of reliability.

The item "**Other receivables**", for the current portion, includes:

- an amount of € 2,767 thousand as advances to suppliers for the supply of goods (€ 1,964 thousand at 31 December 2023);
- an amount of € 1,608 thousand (€ 1,800 thousand at 31 December 2023), for receivables of Emak S.p.A. and certain Group companies towards the controlling company Yama S.p.A., emerging from the relationships that govern the tax consolidation in which they participate.

All non-current receivables mature within five years. There are no trade receivables maturing beyond one year.

25. Inventories

Inventories are detailed as follows:

€/000	30.06.2024	31.12.2023
Raw, ancillary and consumable materials	77,879	64,319
Work in progress and semi-finished products	29,054	36,692
Finished products and goods	124,529	133,645
Total	**231,462**	**234,656**

Inventories at June 30, 2024 are stated net of provisions amounting to € 14,908 thousand (€ 13,632 thousand at December 31 2023) intended to align the obsolete and slow moving items to their estimated realizable value.

The inventories provision is an estimate of the loss in value expected by the Group, calculated on the basis of past experience, historic trends and market expectations.

26. Equity

Share capital
Share capital is fully paid up at 30 June 2024 and amounts to € 42,623 thousand, remaining unchanged during the year under examination, and it is represented by 163,934,835 ordinary shares of par value € 0.26 each.

All shares have been fully paid.

Treasury shares
Total value of treasury shares held at 30 June 2024 amounts to € 2,835 and has not undergone any changes compared to the previous year.

Dividends
On 29 April 2024 the Shareholders' Meeting of Emak S.p.A. resolved to allocate the profit for the year 2023 for € 522 thousand to the legal reserve, for a total of € 7,328 thousand as a dividend to shareholders and for the remainder to a extraordinary reserve.

Share premium reserve
At 30 June 2024, the share premium reserve amounts to € 41,513 thousand, and consists of premiums on subsequently issued shares.
The reserve is shown net of progress charges related to the capital increase amounted to € 1,598 thousand and adjusted for the related tax effect of € 501 thousand.

Legal reserve
The legal reserve at June 30, 2024 of € 5,491 thousand (€ 4,969 thousand at December 31, 2023).

Revaluation reserve
At 30 June 2024 the revaluation reserve includes the reserves deriving from the revaluation as per Law 72/83 for € 371 thousand, as per Law 413/91 for € 767 thousand and as per Law 104/2020 for € 3,215 thousand.

Reserve for translation differences
At 30 June 2024 the reserve for translation differences for a negative amount of € 2,106 thousand is entirely attributable to the differences generated from the translation of balances into the Group's reporting currency.
The reserve recorded a negative adjustment of € 2,181 thousand mainly due to the effect of the Brazilian currency.

Reserve IAS 19
At 30 June 2024 the IAS 19 reserve is equal a negative amount of € 984 thousand, for the actuarial valuation differences of post-employment benefits to employees.

Other reserves
At 30 June 2024 the Other reserves include:

- the extraordinary reserve, amounts to € 34,269 thousand, inclusive of all allocations of earnings in prior years;
- the reserves qualifying for tax relief refer to tax provisions for grants and donations for € 129 thousand;
- the reserves for merger surpluses for € 3,561 thousand;
- the reserves from capital grants deriving from the merger of Bertolini S.p.A. for € 122 thousand.

27. Trade and other payables

Details of trade and other payables are set out below:

€/000	30.06.2024	31.12.2023
Trade payables	103,796	86,254
Payables due to related parties (note 35)	754	551
Payables due to staff and social security institutions	18,614	14,075
Advances from customers	1,380	2,455
Accrued expenses and deferred income	3,299	3,268
Other payables	4,639	3,169
Total current portion	**132,482**	**109,772**

The item "**Trade payables**" includes € 1,200 thousand related to the residual portion of the short term payable for the acquisition, which took place in 2020, by the subsidiary Speed France of a technology and systems for the production of polyester monofilaments and cables for agricultural applications.

The item "**Other payables**" includes € 2,727 thousand, compared to € 1,055 thousand at 31 December 2023, for current IRES tax liabilities recorded by some companies of the Group towards the parent company Yama S.p.A. and arising from the relationships that govern the consolidated tax return, to which the same participating.

28. Loans and borrowings

Details of **short-term loans and borrowings** are as follows:

€/000	30.06.2024	31.12.2023
Bank loans	76,252	80,214
Overdrafts	1,774	2,752
Liabilities for purchase of equity investments	4,058	2,837
Financial accrued expenses	516	606
Other loans	314	15
Total current portion	**82,914**	**86,424**

The item "**Liabilities for purchase of equity investments**" includes:

- an amount of € 1,074 thousand refers to the debt towards the transferor shareholder of the company Valley Industries LLP for the purchase of the remaining 6% subject to the "Put & Call Option without expiry date;
- an amount of € 176 thousand relates to the estimated dividends due to the minority shareholders of the company Markusson;
- an amount of € 1,608 thousand, relates to the discounted debt for the purchase price portion of 20% of Poli S.r.l. shares and governed by the "*Put and Call option*" contract to be exercised between 2024 and 2026;
- An amount of € 1,200 thousand refers to the remaining debt towards the transferor shareholder of the company PNR Italia for the purchase of the remaining 20% to be paid by October 31, 2024 (€ 300 thousand were paid on June 10, 2024, concurrently with the exercise of the option; the total consideration amounts to € 1,500 thousand).

Long-term loans and borrowings are detailed as follows:

€/000	30.06.2024	31.12.2023
Bank loans	167,361	135,350
Liabilities for purchase of equity investments	3,000	3,197
Other loans	-	-
Total non current portion	**170,361**	**138,547**

The item " **Liabilities for purchase of equity investments** " includes:

- € 1,940 thousand, relates to the discounted debt for the purchase price portion of 19% of Markusson shares and governed by the "*Put and Call option*" contract to be exercised in 2026;
- € 1,060 thousand, relates to the discounted debt for the purchase price portion of 4.5% of Agres Sistemas Eletrônicos shares and governed by the "*Put and Call option*" contract to be exercised from 1 January 2026.

As at 30 June 2024, bank loans due after 5 years amount to a € 13,131 thousand.

Some loans at medium-long term are subjected to financial Covenants verified, mainly, on the basis of the consolidated ratios *Nfp/Ebitda* and *Nfp/Equity* consolidated at year-end; no constraint of compliance with financial covenant applies to 30 June 2024.
On the basis of the business plans prepared by the Management as well as the forecast results, compliance with the covenants is expected at December 31, 2024, date of verification of the restrictions.

29.Liabilities derivig from *leases*

The item "**Liabilities deriving from *leases*"** which totals € 45,216 thousand, of which € 37,029 thousand as non-current portion and € 8,187 thousand as current portion, refers to financial liabilities recorded in application of the IFRS 16 accounting standard – *Leases*. These liabilities are equal to the present value of the future residual payments provided by the contracts.
At 30 June 2024 the payables deriving from leases due beyond 5 years amount to € 9,556 thousand.

30. Tax assets and liabilities

Deferred tax assets are detailed below:

€/000	30.06.2024	31.12.2023
Deferred tax on impairment losses of assets	361	392
Deferred tax on reversal of unrealized intercompany gains	3,699	3,592
Deferred tax on provision for inventory write-downs	2,756	2,490
Deferred tax on losses in past financial periods	1,096	563
Deferred tax on provisions for bad debts	743	570
Deferred tax on right of use IFRS 16	518	457
Deferred tax asset on on unrealized exchange differences	480	469
Deferred tax on tax realignment and revalutations	1,193	1,200
Other deferred tax assets	1,304	1,798
Total	**12,150**	**11,531**

The item "Deferred tax assets on tax realignments and revalutarions" includes deferred tax assets recognized against the recognition of future tax benefits deriving from revaluation and realignment of the civil and fiscal values carried out by some companies of the Group during 2020 and 2021.
The deferred tax assets as of June 30, 2024, include an increase of € 423 thousand related to the change in the scope of consolidation.

The breakdown of **Deferred tax liabilities** is shown as follows:

€/000	30.06.2024	31.12.2023
Deferred tax on property ex IAS 17	85	87
Deferred tax on depreciations	6,621	5,199
Other deferred tax liabilities	2,556	2,682
Total	**9,262**	**7,968**

The “other deferred tax liabilities” refer mainly to revenues already accounted for, but which will acquire fiscal relevance, in the coming years.
The item 'Deferred tax liabilities on depreciation' as of June 30, 2024, includes deferred tax liabilities arising from the consolidation and the Purchase Price Allocation process within the business combination of the PNR Group, as described in paragraph 5. Significant non-recurring events and transactions of these notes. Deferred tax liabilities have been allocated in the amount of €1,482 thousand against the fair value attributed to the customer list.

Current tax receivables amount at June 30, 2024 to € 10,089 thousand, against € 11,249 thousand at December 31, 2023, and refer to VAT credits, surplus payments on account of direct tax and other tax credits.

Current tax liabilities amount to € 6,598 thousand at June 30, 2024, compared with € 4,691 thousand at December 31, 2023, and they refer to payables for direct tax for the period, VAT and withholding taxes.

The main Italian companies of the Group participate with the parent company Yama S.p.A. in the tax consolidation pursuant to articles 117 and following of the Presidential Decree n. 917/1986: payables and receivables for current IRES taxes of these companies are recorded under the item “Other current payables” and “Other current receivables”.

31. Employee benefits

The item “Employee benefits” equal to € 6,501 thousand, refer principally to the discounted liability for employment termination indemnity payable at the end of an employee’s working life, amounting to € 6,021 thousand.

The main economic financial assumptions used to calculate the fund are unchanged compared to those used at the close of December 31, 2023.

32. Provisions for risks and charges

Movements in these provisions are detailed below:

€/000	31.12.2023	Change in scope of consolidation	Increase	Decrease	Exchange differences	30.06.2024
Provisions for agents' termination indemnity	2,589	41	106	(14)	-	2,722
Other provisions	296	40	58	(98)	(1)	295
Total non current portion	**2,885**	**81**	**164**	**(112)**	**(1)**	**3,017**
Provisions for products warranties	1,450	-	104	(82)	(9)	1,463
Other provisions	341	-	505	(176)	(7)	663
Total current portion	**1,791**	**-**	**609**	**(258)**	**(16)**	**2,126**

The provision for agents’ termination indemnity is calculated on the basis of agency relationships in force at the close of the financial year, it refers to the probable indemnity which will have to be paid to the agents at the time of the resolution of the respective report. The year allocation of € 106 thousand, was recorded under the provisions in the item "Other operating expenses" in the income statement. The increase from the change in the scope of consolidation refer to the provision for agent’s termination indemnity accrued by the PNR Group up to December 31, 2023.

The other non-current provisions, amounting to € 295 thousand, mainly refer to a dispute related to an alleged infringement of industrial property rights. During the exercise, these provisions were used for € 58 thousand against the already incurred ancillary expenses and increased by the same amount in order to take account of the probable future evolution of the disputes.

The product warranty provision refers to future costs for repairs on warranty which will be incurred for products sold covered by the legal and/or contractual warranty period; the allocation is based on estimates extrapolated from the historic trend.

The item "Other provisions", for the current portion, refers to the best possible estimate of probable liabilities relating to:

- provision for future costs to be incurred for the restoration activities of the industrial area of the former headquarters of the company Tailong (Zhuhai) Machinery Manufacturing Equipment Ltd, allocated during the half-year for an amount of € 448 thousand;
- provisions for future defense costs for € 49 thousand (€ 125 thousand at 31 December 2023) in the face of some tax disputes against two Group companies;
- provisions any future charges related to disputes with some employees for € 48 thousand;
- allocations of € 118 thousand for some disputes and litigation of a different nature.

The Group, also on the basis of the information currently available and on the basis of the opinion of its consultants, does not believe it will allocate further provisions for contingent liabilities.

33. Other non-current liabilities

The item **"Other non-current liabilities"** includes:

- € 370 thousand, against € 382 thousand at 31 December 2023, refers to the deferred income, of future competence, relating to capital grants received pursuant to Law 488/92 by Comag S.r.l., now merged into Emak S.p.A.;
- other deferrals related to the correct accrual accounting of received grants amounting to approximately €240 thousand.

34. Contingent liabilities

At 30 June 2024, The Group has not further significant outstanding disputes in addition to those already discussed in these notes.

35. Related party transactions

The transactions entered into with related parties by the Group in the first half of 2024 mainly relate to three different types of usual nature relations, within the ordinary course of business, adjusted to normal market conditions.

It is in first place for the exchange of goods and provision of services of industrial and real estate activities, responding to a stringent production logic and purpose, carried out with the parent company YAMA S.p.A. and with certain companies controlled by it. On one side, among the companies under the direct control of Yama, some have provided during the period to the Group components, materials of production, as well as the leasing of industrial surfaces.
In particular, significant amounts of rights of use, equal to € 12,129 thousand, liabilities deriving from leases, equal to € 12,831 thousand, amortization and depreciation, equal to € 937 thousand, and financial charges, equal to € 183 thousand, derive from the passive real estate lease relationships with the subsidiary Yama Immobiliare S.r.l., in compliance with the IFRS accounting standard. 16, properly identified in the financial statements.
On the other hand, certain companies of Yama Group bought from the Group products for the completion of their respective range of commercial offer.

Secondly, relations of a tax nature and usual character arise from the participation of the Parent Company Emak S.p.A. and of the subsidiaries Comet S.p.A., Tecomec S.r.l., Sabart S.r.l., P.T.C. S.r.l., Lavorwash S.p.A. and Poli S.r.l. to the tax consolidation regime under Articles. 117 et seq., Tax Code, intercurrent with Yama S.p.A., as consolidating company. The criteria and procedures for the settlement of such transactions are established and formalized in agreements of consolidation, based on the principle of equal treatment between participants.

For some years there have been collaboration relationships for consultancy services of a technological nature linked to the development of new electrical products with the company Raw power S.r.l.. Following the purchase of the 24% connection share which took place in the first half of 2023, the transactions with this company they qualify as related party transactions.

A further area of relationships with "other related parties" is derived from the performance of professional services for legal and fiscal nature, provided by entities subject to significant influence by a non-executive director.

The nature and extent of the usual and commercial operations described above is shown in the following two tables.

Sale of goods and services, trade and other receivables and financial asset:

€/000	Net sales	Trade receivables	Other receivables for tax consolidation	Total trade and other receivables	Current financial assets	Non current financial assets
Euro Reflex D.o.o.	542	542	-	542	-	-
Garmec S.r.l.	37	42	-	42	-	-
Yama S.p.A.	-	-	1,608	1,608	74	37
Total (notes 22 and 24)	**579**	**584**	**1,608**	**2,192**	**74**	**37**

Purchase of goods and services, trade and other payables:

€/000	Purchases of raw materials and consumables	Other operating costs	Trade payables	Other payables for tax consolidation	Total trade and other payables	Financial charges	Current liabilities for leasing	Non current liabilities for leasing
Euro Reflex D.o.o.	1,232	23	411	-	411	-	-	-
Garmec S.r.l.	28	-	21	-	21	-	-	-
Selettra S.r.l.	56	-	50	-	50	-	-	-
Yama Immobiliare S.r.l.	-	-	-	-	-	183	1,849	10,982
Yama S.p.A.	-	-	2	2,727	2,729	-	-	-
Raw Power S.r.l.	-	97	85	-	85	-	-	-
Other related parties	-	285	185	-	185	-	-	-
Total (note 27)	**1,316**	**405**	**754**	**2,727**	**3,481**	**183**	**1,849**	**10,982**

The amount of balances with related parties, relating to tax consolidation relationships, are shown in notes 24 and 27.

With regard to values that arose in previous years from transactions with related parties, it should be noted that the assets still exhibit goodwill equal to € 9,914 thousand (unchanged compared to 31 December 2023). These values derive from the so-called Greenfield operation through which the Group, on 23 December 2011, acquired from the parent company Yama S.p.A. the total control of the Tecomec Group, of the Comet Group, of Sabart S.r.l.

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As regards relations with the parent company's corporate bodies, the accrued payments at 30 June 2024 are as follows:

- Board of Directors for € 248 thousand (included in Personnel costs);
- Statutory Auditors for € 40 thousand (included in Cost of services).

36. Subsequent events

For a description of subsequent events, please refer to Note 10 of the Directors report.

Declaration on the half year report in accordance whit Article 154-bis, paragraph 5 of Legislative Decree no. 58/1998 (Consolidated Law on Finance)

1. We, the undersigned, Cristian Becchi, as Chief Executive Officer for finance and control, and Roberto Bertuzzi, the latter also in his position as the manager in charge of preparing the accounting statements of the company Emak S.p.A. affirm, taking account of the provisions of art. 154-bis, paragraphs 3 and 4, of legislative decree 24 February 1998, n. 58:

   - the suitability, with reference to the nature of the company, and
   - the effective application,

of administrative and accounting procedures for the preparation of the half year financial statements for the financial period 1 January 2024 - 30 June 2024.

No significant elements have emerged.

2. It is hereby declared, moreover, that:

2.1 The abbreviated half-year accounts:

a) have been drawn up in compliance with applicable international accounting principles recognized by the European Community in accordance with (EC) regulation no. 1606/2002 issued by the European Parliament and Council on 19 July 2002;

b) correspond to the accounting records and entries;

c) are appropriate for giving a true and fair view of the assets, liabilities, economic and financial situation of the issuer and of the companies included in the consolidation.

2.2 The intermediate directors' report contains references to significant events that have occurred in the first six months of the financial period and their effect on the abbreviated half-year accounts, together with a description of the main risks and uncertainties for the remaining six months of the financial period.
The intermediate directors' report contains, as well, information regarding significant operations with related parties.

Date: 8 August 2024

The Chief Executive Officer for finance and control

Cristian Becchi

The Manager in charge of preparing the accounting statements

Roberto Bertuzzi

Deloitte.

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Emak S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Emak S.p.A. and subsidiaries (the "Emak Group"), which comprise the statement of financial position as of June 30, 2024 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of Emak Group as at June 30, 2024 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Borasio
Partner

Bologna, Italy
August 8, 2024

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.