Esprinet Group

Interim management statement as at 31 March 2021

Approved by the Board of Directors on 14 May 2021

Parent Company:

Esprinet S.p.A.
VAT no.: IT 02999990969
Companies' Register of Milan, Monza and Brianza, Lodi and Tax Number: 05091320159 R.E.A. (economic and administrative index) 1158694
Registered Office and Administrative HQ: Via Energy Park, 20 - 20871 Vimercate (MB)
Subscribed and paid-in share capital as at 31/03/2021: Euro 7,860,651
www.esprinet.com - *info@esprinet.com*

Company Officers

Board of Directors:

(Mandate expiring with approval of the financial statements for the year ending 31 December 2023)

Chairman	Maurizio Rota	
Deputy Chairman	Marco Monti	
Chief Executive Officer	Alessandro Cattani	(CSC)
Director	Chiara Mauri	(InD) (CSC)
Director	Angelo Miglietta	(InD) (RNC) (CRC)
Director	Lorenza Morandini	(InD) (CSC)
Director	Emanuela Prandelli	(InD) (RNC)
Director	Renata Maria Ricotti	(InD) (RNC) (CRC)
Director	Angela Sanarico	(InD) (CRC)
Secretary	Manfredi Vianini Tolomei	Studio Chiomenti

Key:
InD: Independent Director
CRC: Member of the Control and Risks Committee
RNC: Member of the Remuneration and Nomination Committee
CSC: Member of the Competitiveness and Sustainability Committee

Board of Statutory Auditors:

(Mandate expiring with approval of the financial statements for the year ending 31 December 2023)

Chairman	Maurizio Dallocchio
Permanent Auditor	Maria Luisa Mosconi
Permanent Auditor	Silvia Muzi
Alternate Auditor	Vieri Chimenti
Alternate Auditor	Riccardo Garbagnati

Independent Auditors:

(Mandate expiring with approval of accounts for the year ending 31 December 2027)

PricewaterhouseCoopers S.p.A.

Waiver of obligation to provide information on extraordinary transactions

Pursuant to Art. 70, paragraph 8, and Art. 71, paragraph 1-bis, of the Issuers' Regulation issued by CONSOB, on 21 December 2012 the Board of Directors of Esprinet S.p.A. resolved to make use of the right to waive the obligation to publish the information documents stipulated for significant transactions relating to mergers, demergers, increases in capital by the contribution of goods in kind, acquisitions and transfers.

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1. Notes on financial performance for the period

(euro/000)	notes	Q1 2021	%	Q1 2020*	%	% var. 21/20
Profit & Loss						
Sales from contracts with customers		1,166,038	100.0%	913,762	100.0%	28%
Gross profit		55,893	4.8%	42,093	4.6%	33%
EBITDA	(1)	20,298	1.7%	11,928	1.3%	70%
Operating income (EBIT)		16,546	1.4%	8,343	0.9%	98%
Profit before income tax		14,088	1.2%	5,866	0.6%	140%
Net income		10,208	0.9%	3,937	0.4%	159%
Financial data						
Cash flow	(2)	13,960		7,522		
Gross investments		2,677		943		
Net working capital	(3)	239,300		(130,921)		
Operating net working capital	(4)	235,062		(121,034)		
Fixed assets	(5)	252,266		236,965		
Net capital employed	(6)	470,745		86,186		
Net equity		399,137		388,963		
Tangible net equity	(7)	289,763		279,799		
Net financial debt	(8)	71,608		(302,777)		
Main indicators						
Net financial debt / Net equity		0.2		(0.8)		
Net financial debt / Tangible net equity		0.2		(1.1)		
EBIT / Finance costs - net		6.7		3.4		
EBITDA / Finance costs - net		8.3		4.8		
Net financial debt/ EBITDA	(9)	1.0		2.2		
ROCE	(10)	19.7%		8.6%		
Operational data						
N. of employees at end-period		1,661		1,310		
Avarage number of employees	(11)	1,630		1,315		
Earnings per share (euro)						
- Basic		0.21		0.08		163%
- Diluted		0.20		0.08		150%

(*) Financial data indicators are calculated on 31 December 2020 figures.

(1) EBITDA is equal to the operating profit (EBIT) gross of amortisation, depreciation and write-downs.
(2) Sum of consolidated net income and amortisation/depreciation.
(3) Sum of current assets, non-current assets held for sale and current liabilities, gross of net current financial debts.
(4) Sum of trade receivables, inventory and trade payables.
(5) Equal to non-current assets net of non-current derivative financial assets.
(6) Equal to capital employed as of period end, calculated as the sum of net working capital plus fixed assets net of non-current non-financial liabilities.
(7) Equal to shareholders' equity less goodwill and intangible assets.
(8) Sum of financial payables, financial liabilities for leasing, cash and cash equivalents, assets/liabilities for derivative instruments and financial receivables from factoring companies.
(9) 12-month rolling EBITDA.
(10) Calculated as the ratio of (i) EBIT, net of non-recurring items, the effects of IFRS 16 and taxes calculated at the effective tax rate of the latest issued consolidated financial statements, to (ii) average invested capital (calculated as the sum of net working capital and fixed capital) at the closing date of the period under review and the four preceding quarters.
(11) Calculated as the average of opening balance and closing balance of consolidated companies.

The economic and financial results of this period and of the relative period of comparison have been measured by applying the International Financial Reporting Standards ("IFRSs"), adopted by the EU in force in the reference period.
In the chart above, in addition to the conventional economic and financial indicators laid down by IFRSs, some "alternative performance indicators", although not defined by the IFRSs, are presented. These "alternative performance indicators", consistently presented in previous periodic Group reports, are not intended to substitute IFRS indicators; they are used internally by the management for measuring and controlling the Group's profitability, performance, capital structure and financial position.

As required by the ESMA/2015/1415 Guidelines issued by ESMA (European Securities and Market Authority) under Art. 16 of the ESMA Regulation, updating the previous recommendation CESR/05-178b of the CESR (Committee of European Securities Regulators) and adopted by CONSOB with Communication No. 0092543 of 03/12/2015, the basis of calculation adopted is defined below the table.

2. Contents and format of the interim management statement

2.1 Consolidation policies, accounting principles and valuation criteria

The ordinary shares of Esprinet S.p.A. (ticker: PRT.MI) have been listed in the STAR segment (High Requirements Securities Segment) of the MTA (Italian Electronic Stock Market) of Borsa Italiana S.p.A. since 27 July 2001.

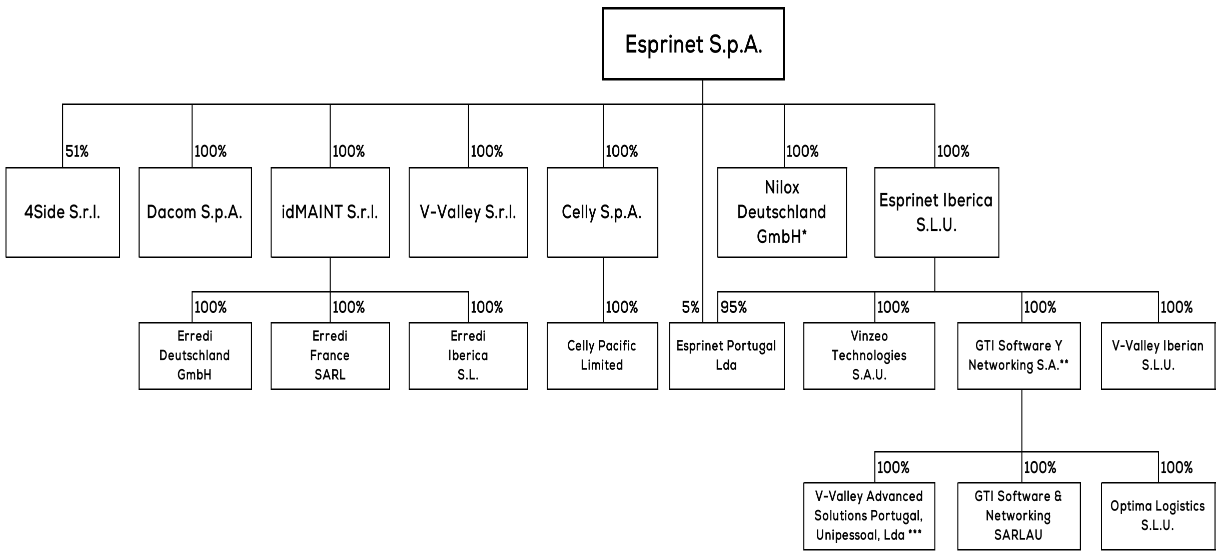
Due to this admission, the interim management statement as at 31 March 2021, non-audited, has been drawn up as per Article 2.2.3, paragraph 3 a) “Regulation of the markets organised and managed by Borsa Italiana S.p.A.” (so-called “Stock Market Regulation”) as well as pursuant to Art. 154-ter, paragraph 5, of the Legislative Decree No. 58/1998 (T.U.F. - Finance Consolidation Act).

Financial data presented in this document result from the application of the same accounting principles (IFRSs - International Financial Reporting Standards), consolidation principles and methods, valuation criteria, conventional definitions and accounting estimates used in previous consolidated financial statements for interim and annual periods, unless otherwise indicated.

In compliance with Consob Communication No. DEM/8041082 of 30 April 2008 ("Quarterly reporting by listed issuers with Italy as their Member State of origin") the financial data in this document are comparable with those shown in previous periodic reports and are in line with the financial statements published in the annual report as at 31 December 2020 to which reference should be made for all the explanatory notes to the annual report.

2.2 General information about the Esprinet Group

The structure of the Esprinet Group as at 31 March 2021 is as follows:



* Discontinued on 31 March 2021

** 100% of which 9,58% of own shares owned by GTI Software y Networking S.A.

*** Getix Companhia de Distribuição de Software Unipessoal Lda till 31 December 2020

From a legal standpoint, the parent company Esprinet S.p.A. was founded in September 2000 following the merger of two leading Italian distributors, Comprel S.p.A. and Celomax S.p.A.
The Esprinet Group later assumed its current composition as a result of the carve-out of micro-electronic components from the parent company and of various business combinations and establishment of new companies.

This report will refer to the " Subgroup Italy" and the " Subgroup Spain".
At period end, Subgroup Italy includes not only the parent company Esprinet S.p.A., but also the companies it directly controls: V-Valley S.r.l., Celly S.p.A., Nilox Deutschland Gmbh (in liquidation from 16 September 2019), 4Side S.r.l., Dacom S.p.A. and idMAINT S.r.l. (the last two both acquired on 22 January 2021).
For the purposes of the representation under the Subgroup Italy, the subsidiary idMAINT S.r.l. is also understood to include its wholly-owned subsidiaries Erredi Deutschland GmbH, Erredi France SARL, Erredi Iberica S.L. (collectively the "idMAINT Group"), merely companies for procuring sales in service of Dacom S.p.A., while the subsidiary Celly S.p.A. also includes its wholly-owned subsidiary Celly Pacific LTD, a company incorporated under the laws of China operating in the same operating sector as Celly S.p.A.

At the same date, Subgroup Spain is made up of the Spanish-law and Portuguese-law subsidiaries operating in the Iberian Peninsula, i.e. Esprinet Iberica S.L.U. and its subsidiaries Esprinet Portugal Lda, Vinzeo Technologies S.A.U., V-Valley Iberian S.L.U. and GTI Software Y Networking S.A., acquired and consolidated as at 1 October 2020. For the purposes of representation within the Subgroup Spain, the subsidiary GTI Software Y Networking S.A. is understood to also include its wholly-owned subsidiaries V-Valley Advanced Solutions Portugal Unipessoal Lda, GTI Software & Networking SARLAU, Optima Logistics S.L.U. (collectively the "GTI Group").

Esprinet S.p.A. has its legal and administrative headquarters in Vimercate, Italy (Monza and Brianza) and has its own logistic sites in Cambiago (Milan) and Cavenago (Monza and Brianza).
For specialist activities, Esprinet S.p.A. makes use of the services provided by Banca IMI S.p.A.

2.3 Scope of consolidation

The consolidated financial statements are prepared on the basis of the interim accounts of the parent company Esprinet S.p.A. and its direct and/or indirect subsidiaries or associated companies, approved by their respective Boards of Directors.[1]
Wherever necessary, the interim accounts of subsidiaries have been suitably adjusted to ensure consistency with the accounting principles used by the parent company, and all relate to company years with same closing date as the Parent Company.

The table below lists companies included in the scope of consolidation as at 31 March 2021, all consolidated on a line-by-line basis.

[1] With the exception of Celly Pacific LTD since they do not have this Body.

Company name	Head Office	Share capital (euro) *	Group Interest	Shareholder	Interest held
Holding company:					
Esprinet S.p.A.	Vimercate (MB)	7,860,651			
Subsidiaries directly controlled:					
Celly S.p.A.	Vimercate (MB)	1,250,000	100.00%	Esprinet S.p.A.	100.00%
Esprinet Iberica S.L.U.	Saragozza (Spain)	55,203,010	100.00%	Esprinet S.p.A.	100.00%
Nilox Deutschland GmbH	Düsseldorf (Germany)	400,000	100.00%	Esprinet S.p.A.	100.00%
V-Valley S.r.l.	Vimercate (MB)	20,000	100.00%	Esprinet S.p.A.	100.00%
Dacom S.p.A.	Cornaredo (MI)	3,600,000	100.00%	Esprinet S.p.A.	100.00%
idMAINT S.r.l.	Cornaredo (MI)	42,000	100.00%	Esprinet S.p.A.	100.00%
4Side S.r.l	Legnano (MI)	100,000	51.00%	Esprinet S.p.A.	51.00%
Subsidiaries indirectly controlled:					
Celly Pacific LTD	Honk Kong (China)	935	100.00%	Celly S.p.A.	100.00%
Esprinet Portugal Lda	Porto (Portugal)	2,500,000	100.00%	Esprinet Iberica S.L.U.	95.00%
				Esprinet S.p.A.	5.00%
Vinzeo Technologies S.A.U.	Madrid (Spain)	30,704,180	100.00%	Esprinet Iberica S.L.U.	100.00%
V-Valley Iberian S.L.U.	Saragozza (Spain)	50,000	100.00%	Esprinet Iberica S.L.U.	100.00%
Erredi Deutschland GmbH	Eschborn (Germany)	50,000	100.00%	idMAINT S.r.l.	100.00%
Erredi France SARL	Roissy-en-France (France)	50,000	100.00%	idMAINT S.r.l.	100.00%
Erredi Iberica S.L.	Santa Coloma de Cervellò (Spain)	5,000	100.00%	idMAINT S.r.l.	100.00%
GTI Software Y Networking S.A. **	Madrid (Spain)	585,032	100.00%	Esprinet Iberica S.L.U.	90.42%
Optima Logistics S.L.U.	Madrid (Spain)	3,005	100.00%	GTI Software Y Networking S.A	100.00%
V-Valley Advanced Solutions Portugal, Unipessoal, Lda	Sacavém (Portugal)	10,000	100.00%	GTI Software Y Networking S.A	100.00%
GTI Software & Networking SARLAU	Casablanca (Morocco)	707,252	100.00%	GTI Software Y Networking S.A	100.00%

(*) Share capital values, with reference to the companies publishing financial statements in a currency other than euro, are displayed at historical value.

With respect to 31 December 2020, note should be taken of the entry into the scope of consolidation of the company Dacom S.p.A. and the idMAINT Group, effective from 22 January 2021.

By contrast, with respect to 31 March 2020, note should be taken of the entry into the scope of consolidation also of the GTI Group on 1 October 2020 and the increase, on 28 October 2020, of the share held by Esprinet S.p.A. in the subsidiary Celly S.p.A from 85% to 100% of share capital.
Lastly, it should be noted that, within the GTI Group and, therefore, the Subgroup Spain, on 31 March 2021, the company Diode Espana S.A.U. was merged by incorporation in GTI Software Y Networking S.A., with accounting and tax effects backdated to 1 January 2021.

For further information, please refer to the paragraph "Significant events occurring in the period".

2.4 Principal assumptions, estimates and rounding

Within the scope of preparing these interim consolidated financial statements, several estimates and assumptions have been made on the values of revenue, costs, assets and liabilities in the financial statements and on the information relating to potential assets and liabilities at the date of the interim financial statements. Unless otherwise stated, they have been consistently applied to all the years presented.

If these estimates and assumptions, which are based on the best valuation by the management, should differ from actual circumstances in the future, they will be suitably amended during the period in which those circumstances arise.
A detailed description of the assumptions and estimates adopted can be found in the Notes to the Consolidated Financial Statements of the Esprinet Group as at 31 December 2020, to which reference is made.

In this interim period, as permitted by IAS 34, income taxes were calculated based on the best estimate of the tax burden expected for the entire financial year. On the contrary, in the annual consolidated financial statement, current taxes have been calculated specifically based on the tax rates in force at the closing date of the financial statement.
Prepaid and deferred taxes have been instead estimated based on the tax rates expected to be in force at the time when the relevant assets or liabilities will be realised or settled.

Figures in this document are expressed in thousands of euro, unless otherwise indicated.
Furthermore, in some cases the tables might have some inaccuracies due to the rounding-up to thousands.

2.5 Amendments of accounting standards

No reclassification or changes in the critical accounting estimates regarding previous periods, pursuant to IAS 8, have been made in this interim management statement.

3. Consolidated income statement and notes

3.1 Consolidated income statement

Below is the consolidated income statement, showing revenues by "function" in accordance with the IFRS, along with the additional information required under CONSOB Resolution No. 15519 of 27 July 2006:

(euro/000)	Notes	Q1 2021	non - recurring	related parties*	Q1 2020	non - recurring	related parties*
Sales from contracts with customers	**33**	**1,166,038**	**-**	3	**913,762**	**-**	-
Cost of sales		(1,110,145)	-	-	(871,669)	-	-
Gross profit	**35**	**55,893**	**-**		**42,093**	**-**	
Sales and marketing costs	**37**	(16,092)	-	-	(13,085)	-	-
Overheads and administrative costs	**38**	(23,235)	-	1	(20,233)	-	-
Impairment loss/reversal of financial assets	**39**	(20)	-		(432)	-	
Operating income (EBIT)		**16,546**	**-**		**8,343**	**-**	
Finance costs - net	**42**	(2,458)	-	-	(2,477)	-	-
Profit before income taxes		**14,088**	**-**		**5,866**	**-**	
Income tax expenses	**45**	(3,880)	-	-	(1,929)	-	-
Net income		**10,208**	**-**		**3,937**	**-**	
- of which attributable to non-controlling interests		(25)			(60)		
- of which attributable to Group		10,233	-		3,997	-	
Earnings per share - basic (euro)	**46**	0.21			0.08		
Earnings per share - diluted (euro)	**46**	0.20			0.08		

(*) Emoluments to key managers excluded.

3.2 Consolidated statement of comprehensive income

(euro/000)	Q1 2021	Q1 2020
Net income	**10,208**	**3,937**
Other comprehensive income:		
- Changes in translation adjustment reserve	16	-
Other comprehensive income not to be reclassified in the separate income statement		
- Changes in 'TFR' equity reserve	177	283
- Taxes on changes in 'TFR' equity reserve	(42)	(79)
Other comprehensive income	**151**	**204**
Total comprehensive income	**10,359**	**4,141**
- of which attributable to Group	10,379	4,188
- of which attributable to non-controlling interests	(20)	(47)

3.3 Notes on financial performance of the Group

MAIN CONSOLIDATED RESULTS AS AT 31 MARCH 2021

The Group's main earnings as at 31 March 2021 are hereby summarised:

(€/000)	Q1 2021	Q1 2020	% Var.
Sales from contracts with customers	**1,166,038**	**913,762**	**28%**
Cost of goods sold excl. factoring/securitisation	1,108,970	870,698	27%
Financial cost of factoring/securisation(1)	934	780	20%
Gross Profit(2)	**56,134**	**42,284**	**33%**
Gross Profit %	*4.81%*	*4.63%*	
Personnel costs	20,862	16,884	24%
Other operating costs	14,974	13,472	11%
EBITDA adjusted	**20,298**	**11,928**	**70%**
EBITDA adjusted %	*1.74%*	*1.31%*	
Depreciation e amortisation	1,136	1,121	1%
IFRS 16 Right of Use depreciation	2,616	2,464	6%
Goodwill impairment	-	-	n/s
EBIT adjusted	**16,546**	**8,343**	**98%**
EBIT adjusted %	*1.42%*	*0.91%*	
Non recurring costs	-	-	n/s
EBIT	**16,546**	**8,343**	**98%**
EBIT %	*1.42%*	*0.91%*	
IFRS 16 interest expenses on leases	791	848	-7%
Other financial (income) expenses	593	418	42%
Foreign exchange (gains) losses	1,074	1,211	-11%
Profit before income taxes	**14,088**	**5,866**	**>100%**
Income taxes	3,880	1,929	>100%
Net income	**10,208**	**3,937**	**>100%**

(1) Cash discounts for "non-recourse" advances of trade receivables as part of revolving factoring, confirming and securitisation programmes.
(2) Gross of amortisation/depreciation that, by destination, would be included in the cost of sales.

Sales from contracts with customers stood at Euro 1,166.0 million, an increase of +28% compared to Euro 913.8 million in Q1 20. Contributions to this result were provided by both organic growth (+23%) and the Euro 42.8 million contribution from the GTI Group acquired in Spain in the Q4 20, from Dacom S.p.A. and the idMAINT Group, acquired in January 2021.

Gross Profit, amounting to Euro 56.1 million, shows an increase of 33% compared to Euro 42.3 million recorded in Q1 20, due to both higher revenues and the improvement in the percentage margin, from 4.63% to 4.81%, despite the weight of sales of PCs and smartphones having risen further. Deducting the positive contribution of Euro 6.1 million from acquisitions which occurred after Q1 20 from the 2021 result, the change in gross profit is estimated to be around +18%.

Adjusted EBITDA, which coincides with EBITDA given that no non-recurring costs were recorded in the two periods being compared, amounted to Euro 20.3 million, marking an increase of +70% compared to Euro 11.9 million in Q1 20, also due to a lower incidence of operating and structure costs. Excluding the positive contribution of Euro 2.1 million deriving from the acquisitions cited above from the 2021 result, EBITDA would sit at Euro 18.2 million (+52% compared to Q1 20). The incidence on revenues rose to 1.74% from 1.31% in Q1 20.

Adjusted EBIT, equal to EBIT, amounted to Euro 16.5 million, a notable increase (+98% and +74% excluding the contribution of the acquisitions) compared to Q1 20. The incidence on revenues rose to 1.42% compared to 0.91% in Q1 20.

Profit before income taxes amounted to Euro 14.1 million, up considerably compared to Euro 5.9 million in Q1 20.

Net income, up by +159%, amounted to Euro 10.2 million (Euro 3.9 million in Q1 20).

The Group's main earnings as at 31 March 2021 are hereby summarised:

(euro/000)	**31/03/2021**	**31/12/2020**
Fixed assets	252,266	236,965
Operating net working capital	235,062	(121,034)
Other current assets/liabilities	4,238	(9,887)
Other non-current assets/liabilities	(20,821)	(19,858)
Total uses	**470,745**	**86,186**
Short-term financial liabilities	95,759	56,049
Lease liabilities	9,567	8,867
Current financial (assets)/liabilities for derivatives	(15)	(27)
Financial receivables from factoring companies	(16,669)	(147)
Current debts for investments in subsidiaries	2,109	220
Other current financial receivables	(9,898)	(9,617)
Cash and cash equivalents	(219,720)	(558,928)
Net current financial debt	(138,867)	(503,583)
Borrowings	100,657	107,069
Lease liabilities	108,088	93,999
Non - current debts for investments in subsidiaries	1,730	230
Other non - current financial receivables	-	(492)
Net financial debt (A)	71,608	(302,777)
Net equity (B)	399,137	388,963
Total sources of funds (C=A+B)	**470,745**	**86,186**

Net Invested Capital as at 31 December 2020 amounted to Euro 470.7 million and was financed by:

- shareholders' equity, including minority interests, amounting to Euro 399.1 million (Euro 389.0 million as at 31 December 2020);
- a negative net financial position of Euro 71.6 million was recorded, a decrease compared to 31 December 2020 (positive for Euro 302.8 million) but an improvement with respect to 31 March 2020 (negative for Euro 127.1 million).

The value of the exact net financial position as at 31 March is influenced by technical factors like the seasonality of the business, the trend in "non-recourse" factoring of trade receivables (factoring, confirming and securitisation) and the trend in the behavioural models of customers and suppliers in the different periods of the year. It is strictly influenced by the management of working capital (equal to Euro 235.1 million compared to Euro -121.0 million as at 31 December 2020 and Euro 285.5 million as at 31 March 2020), whose result is also influenced by the degree of use of factoring, securitisation and the other technical forms of advance collection of receivables with similar effects - i.e. "confirming" -, plans that generated an overall impact on the level of consolidated net financial debts amounting to roughly Euro 353.6 million (Euro 536.6 million at 31 December 2020 and Euro 401.5 million at 31 March 2020).

Equity and financial indicators confirm the strength of the Group.

MAIN CONSOLIDATED RESULTS BY GEOGRAPHICAL AREA

Subgroup Italy

The Subgroup Italy's main earnings as at 31 March 2021 are hereby summarised:

(€/000)	Q1 2021	Q1 2020	% Var.
Sales from contracts with customers	**752,387**	**611,075**	**23%**
Cost of goods sold excl. factoring/securitisation	715,166	579,805	23%
Financial cost of factoring/securisation[1]	553	472	17%
Gross Profit[2]	**36,668**	**30,798**	**19%**
Gross Profit %	*4.87%*	*5.04%*	
Personnel costs	13,333	11,957	12%
Other operating costs	11,520	10,923	5%
EBITDA adjusted	**11,815**	**7,918**	**49%**
EBITDA adjusted %	*1.57%*	*1.30%*	
Depreciation e amortisation	836	807	4%
IFRS 16 Right of Use depreciation	1,886	1,904	-1%
Goodwill impairment	-	-	n/s
EBIT adjusted	**9,093**	**5,207**	**75%**
EBIT adjusted %	*1.21%*	*0.85%*	
Non recurring costs	-	-	n/s
EBIT	**9,093**	**5,207**	**75%**
EBIT %	*1.21%*	*0.85%*	

(1) Cash discounts for "non-recourse" advances of trade receivables as part of revolving factoring, confirming and securitisation programmes.
(2) Gross of amortisation/depreciation that, by destination, would be included in the cost of sales.

Sales from contracts with customers amounted to Euro 752.4 million, +23% compared to Euro 611.1 million recorded in Q1 20 (+20% excluding the Euro 21.0 million recorded by Dacom S.p.A. and by the idMAINT Group, acquired in January 2021, from the 2021 result).

Gross profit came to Euro 36.7 million, an improvement of +19% compared to Euro 30.8 million recorded in Q1 20, and with an incidence on revenues down slightly to 4.87% due to the greater weight of the sales of PCs and smartphones compared to the other product categories. Deducting the contribution of the acquisitions made in January 2021 amounting to Euro 2.9 million from the 2021 result, the gross profit would have showed an improvement of +10%.

Adjusted EBITDA, which coincides with EBITDA given that no non-recurring costs were recorded in the two periods being compared, amounted to Euro 11.8 million, marking an increase of +49% compared to Euro 7.9 million in Q1 20, further improvement with respect to the gross profit due to a lower incidence of operating and structure costs. Also deducting the contribution of Euro 1.3 million of the newly acquired companies from the 2021 result, EBITDA amounts to Euro 10.5 million (+32%). The incidence on revenues rose to 1.57% from 1.30% in Q1 20.

Adjusted EBIT, equal to EBIT, amounted to Euro 9.1 million, highlighting an increase of +75% (+49% net of acquisitions) compared to the corresponding quarter in 2020. The incidence on revenues rose to 1.21% from 0.85% in Q1 20.

The Subgroup Italy's main earnings as at 31 March 2021 are hereby summarised:

(euro/000)	**31/03/2021**	**31/12/2020**
Fixed assets	205,215	193,600
Operating net working capital	145,051	(63,302)
Other current assets/liabilities	23,715	7,022
Other non-current assets/liabilities	(10,626)	(10,136)
Total uses	**363,355**	**127,184**
Short-term financial liabilities	61,029	32,596
Lease liabilities	7,097	6,581
Current debts for investments in subsidiaries	2,109	220
Financial receivables from factoring companies	(16,669)	(147)
Other current financial receivables	(9,897)	(9,617)
Cash and cash equivalents	(127,278)	(331,980)
Net current financial debt	(83,609)	(302,347)
Borrowings	39,836	39,715
Lease liabilities	87,186	76,851
Non - current debts for investments in subsidiaries	1,730	230
Other non - current financial receivables	-	(492)
Net Financial debt (A)	45,143	(186,043)
Net equity (B)	318,212	313,227
Total sources of funds (C=A+B)	**363,355**	**127,184**

The net financial position was a negative Euro 45.1 million, marking a reversal of the liquidity surplus of Euro 186.0 million as at 31 December 2020, but shows an improvement with respect to the net debt of Euro 86.4 million recorded as at 31 March 2020 and that was also despite the lower use of forms of advance payment of receivables for Euro 34.6 million.

The value of the exact net financial position as at 31 March is influenced by technical factors like the seasonality of the business, the trend in "non-recourse" factoring of trade receivables (factoring, confirming and securitisation) and the trend in the behavioural models of customers and suppliers in the different periods of the year. Therefore, it is not representative of the average levels of net financial indebtedness noted during the quarter.

The aforementioned programmes for the factoring and securitisation of trade receivables, which define the complete transfer of risks and benefits to assignees and therefore allow the derecognition from balance sheet assets, determine an overall effect on the level of consolidated net financial debts as at 31 March of Euro 211.5 million (Euro 288.2 million as at 31 December 2020 and Euro 246.1 million as at 31 March 2020).

Subgroup Spain

The Subgroup Spain's main earnings as at 31 March 2021 are hereby summarised:

(€/000)	Q1 2021	Q1 2020	% Var.
Sales from contracts with customers	**423,541**	**313,985**	**35%**
Cost of goods sold excl. factoring/securitisation	403,687	302,246	34%
Financial cost of factoring/securisation[(1)]	381	308	24%
Gross Profit[(2)]	**19,473**	**11,431**	**70%**
Gross Profit %	*4.60%*	*3.64%*	
Personnel costs	7,530	4,927	53%
Other operating costs	3,567	2,645	35%
EBITDA adjusted	**8,376**	**3,859**	**>100%**
EBITDA adjusted %	*1.98%*	*1.23%*	
Depreciation e amortisation	194	224	-13%
IFRS 16 Right of Use depreciation	730	560	30%
Goodwill impairment	-	-	n/s
EBIT adjusted	**7,452**	**3,075**	**>100%**
EBIT adjusted %	*1.76%*	*0.98%*	
Non recurring costs	-	-	n/s
EBIT	**7,452**	**3,075**	**>100%**
EBIT %	*1.76%*	*0.98%*	

(1) Cash discounts for "non-recourse" advances of trade receivables as part of revolving factoring, confirming and securitisation programmes.
(2) Gross of amortisation/depreciation that, by destination, would be included in the cost of sales.

Sales from contracts with customers totalled Euro 423.5 million, +35% compared to Euro 314.0 million in Q1 20 (+28% excluding the sales realised by the GTI Group acquired in Q4 20).

Gross profit amounted to Euro 19.5 million, an improvement of +70% compared to Euro 11.4 million recorded in Q1 20, due to both higher revenues realised and the improvement in the percentage margin from 3.64% to 4.60%. Deducting the positive contribution of Euro 3.2 million from the GTI Group from the 2021 result, acquired in Q4 20, the change in gross profit is estimated to be +42%.

Adjusted EBITDA, which coincides with EBITDA given that no non-recurring costs were recorded in the two periods being compared, amounted to Euro 8.4 million, marking an increase of +115% compared to Euro 3.9 million in Q1 20, due to a lower incidence of operating and structure costs plus the improvement in gross profit. Excluding the positive contribution of Euro 0.8 million of the acquisition of the GTI Group from the 2021 result, EBITDA would have been Euro 7.6 million (+95%). The incidence on revenues rose to 1.98% from 1.23% in Q1 20.

Adjusted EBIT, which corresponds to EBIT, amounted to Euro 7.5 million, marking an increase of +142% (+116% net of the aforementioned acquisition), compared to Q1 20. The incidence on revenues rose to 1.76% from 0.98% in Q1 20.

The Subgroup Spain's main financial and equity results as at 31 March 2021 are hereby summarised:

(euro/000)	**31/03/2021**	**31/12/2020**
Fixed assets	121,815	118,106
Operating net working capital	90,272	(57,470)
Other current assets/liabilities	(19,476)	(16,909)
Other non-current assets/liabilities	(10,195)	(9,722)
Total uses	**182,416**	**34,005**
Short-term financial liabilities	34,730	23,453
Lease liabilities	2,470	2,286
Current financial (assets)/liabilities for derivatives	(15)	(27)
Other current financial receivables	(0)	(0)
Cash and cash equivalents	(92,442)	(226,948)
Net current financial debt	(55,257)	(201,236)
Borrowings	60,821	67,354
Lease liabilities	20,902	17,148
Net Financial debt (A)	26,466	(116,734)
Net equity (B)	155,950	150,739
Total sources of funds (C=A+B)	**182,416**	**34,005**

The net financial position was a negative Euro 26.5 million, marking a reversal of the liquidity surplus of Euro 116.7 million as at 31 December 2020, but shows an improvement with respect to the net debt of Euro 40.8 million recorded as at 31 March 2020.

The value of the exact net financial position as at 31 March is influenced by technical factors like the seasonality of the business, the trend in "non-recourse" factoring of trade receivables (factoring and, confirming) and the trend in the behavioural models of customers and suppliers in the different periods of the year. Therefore, it is not representative of the average levels of net financial indebtedness noted during the quarter.
The aforementioned programmes for the factoring and confirming of trade receivables, which define the complete transfer of risks and benefits to assignees and therefore allow the derecognition from balance sheet assets, determine an overall effect on the level of consolidated net financial debts as at 31 March of Euro 142.1 million (Euro 248.4 million as at 31 December 2020 and Euro 155.4 million as at 31 March 2020).

3.4 Notes to consolidated income statement items

In this section the paragraph numbers refer to the corresponding "Notes" in the consolidated separate income statement.

33) Sales

The following provides a breakdown of the Group's revenue performance during the period.

Sales by geographical area

(euro/million)	Q1 2021	%	Q1 2020	%	% Var.
Italy	732.6	62.8%	596.4	65.3%	23%
Spain	405.5	34.8%	298.3	32.6%	36%
Portugal	17.0	1.5%	11.3	1.2%	50%
Other EU countries	6.8	0.6%	5.1	0.6%	33%
Extra EU countries	4.1	0.4%	2.7	0.3%	52%
Sales from contracts with clients	**1,166.0**	**100.0%**	**913.8**	**100.0%**	**28%**

In the first three months of 2021, all reference markets recorded robust growth: according to Context data, Italy is worth Euro 2.4 billion (+21% compared to Q1 20), Spain Euro 1.6 billion (+20%) and Portugal Euro 374 million (+13%). The Group outperformed the market in all the countries in which it operates, consolidating its shares and recording the best result in the last few years.

Sales by products and services

(euro/million)	Q1 2021	%	Q1 2020	%		% Var.
Product sales	739.2	63.4%	598.3	65.5%	140.9	*24%*
Services sales	3.3	0.3%	1.5	0.2%	1.8	*120%*
Sales - Subgroup Italy	**742.5**	**63.7%**	**599.8**	**65.6%**	**142.7**	***24%***
Product sales	423.0	36.3%	313.8	34.3%	109.2	*35%*
Services sales	0.5	0.0%	0.2	0.0%	0.3	*150%*
Sales - Subgroup Spain	**423.5**	**36.3%**	**314.0**	**34.4%**	**109.5**	***35%***
Sales from contracts with customers	**1,166.0**	**100.0%**	**913.8**	**100.0%**	**252.2**	***28%***

Sales as "Principal" or "Agent"

In accordance with the IFRS 15 accounting standard, the Esprinet Group has identified the distribution of the hardware and software products, the distribution of its own-brand products and the provision of non-intermediated services as the activities in which its role requires it to represent the revenues as "principal". Conversely, the distribution of cloud software and the brokerage of services were detected as business lines to be disclosed as "agent".
The following table illustrates this distinction:

(euro/million)	Q1 2021	%	Q1 2020	%	Var.	% Var.
Sales from contracts with customers as 'principal'	1,162.9	*99.7%*	912.7	*99.9%*	250.2	*27%*
Sales from contracts with customers as 'agent'	3.1	*0.3%*	1.1	*0.1%*	2.0	*182%*
Sales from contracts with customers	**1,166.0**	**100.0%**	**913.8**	**100.0%**	**252.2**	***28%***

Sales by product family and customer type

(euro/million)	Q1 2021	%	Q1 2020	%	Var.	% Var.
PC (notebook, tablet, desktop, monitor)	458.0	39.3%	325.2	35.6%	132.8	*41%*
Printing devices and supplies	110.9	9.5%	105.1	11.5%	5.8	*6%*
Other IT products	86.7	7.4%	56.3	6.2%	30.4	*54%*
Total IT Clients	**655.6**	**56.2%**	**486.6**	**53.3%**	**169.0**	***35%***
Smartphones	291.9	25.0%	237.0	25.9%	54.9	*23%*
White goods	12.9	1.1%	10.0	1.1%	2.9	*29%*
Gaming hardware and software	4.0	0.3%	3.7	0.4%	0.3	*8%*
Other consumer electronics products	33.9	2.9%	28.9	3.2%	5.0	*17%*
Total Consumer Electronics	**342.7**	**29.4%**	**279.6**	**30.6%**	**63.1**	***23%***
Hardware (networking, storage, server & others)	125.9	10.8%	95.1	10.4%	30.8	*32%*
Software, Services, Cloud	81.6	7.0%	44.8	4.9%	36.8	*82%*
Total Advanced Solutions	**207.5**	**17.8%**	**139.9**	**15.3%**	**67.6**	***48%***
IFRS15 and other adjustments	(39.8)	-3.4%	7.7	0.8%	(47.5)	*<100%*
Sales from contracts with customers	**1,166.0**	**100.0%**	**913.8**	**100.0%**	**252.2**	***28%***

In the first three months of 2021, the *IT Clients* market (Source: Context) in southern Europe recorded growth of 36%, still driven by the significant increase in demand for PCs that, despite the persistence of problems of product availability linked to the *shortage* of components and logistics issues, rose by +49%, thanks to the sales in the *mobile segment (laptops* and *tablets),* in Italy and Spain fuelled by the purchases by the Public Administration in the educational area, as well as purchases by families to meet remote learning needs. Printing started to grow again (+6%), due in particular to the results obtained by sales of *consumer* products. In the *Consumer Electronics* market, all categories recorded double-digit growth: Smartphones +23%, Household appliances +35% and Gaming +59%. *Advanced Solutions* confirmed a challenging period (-4%), due to companies' lower propensity to invest in infrastructures. The 2% increase in the Hardware products category did not offset the decline in Software, Services and Cloud (-8%).

With sales at Euro 1,166.0 million, growth of 28% compared to Q1 20, the Group recorded a major acceleration in *Advanced Solutions* (+48%), also thanks to the contribution from the acquisitions of the GTI Group in Spain, leader in the *Cloud* segment, and of the companies Dacom and idMaint, leaders in the *Automatic Identification and Data Capture segment,* in Italy. In *IT Clients*, the Group registered notable increases in all categories: PCs (+41%), Printing (+6%) and Other IT products (+54%). Also in the *Consumer Electronics area,* sales were up in all categories: Smartphones +23%, Household appliances +29%, Gaming +8% and Other products +17%.

(euro/million)	Q1 2021	%	Q1 2020	%	Var.	% Var.
Retailers & E-Tailers	481.1	41.3%	384.4	42.1%	96.7	*25%*
IT Resellers	724.7	62.2%	521.7	57.1%	203.0	*39%*
IFRS15 and other adjustments	(39.8)	-3.4%	7.7	0.8%	(47.5)	*<100%*
Sales from contracts with customers	**1,166.0**	**100.0%**	**913.8**	**100.0%**	**252.2**	***28%***

In the first three months of 2021, the market recorded growth of +18% in the *Business Segment* (IT Reseller) and +23% in the *Consumer Segment* (Retailer, E-tailer).

Group sales recorded above-market growth in both the *Business Segment* (+39%) and the *Consumer Segment* (+25%).

35) Gross profit

(euro/000)	Q1 2021	%	Q1 2020	%	Var.	% Var.	FY 2020	%
Sales from contracts with customers	1,166,038	100.00%	913,762	100.00%	252,276	*28%*	4,491,613	100.00%
Cost of sales	1,110,145	95.21%	871,669	95.39%	238,476	*27%*	4,297,946	95.69%
Gross profit	**55,893**	**4.79%**	**42,093**	**4.61%**	**13,800**	***33%***	**193,667**	**4.31%**

Gross profit, amounting to Euro 55.9 million, shows an increase of 33% over Q1 20 (Euro 42.1 million), due to both higher sales and the improvement in the percentage margin from 4.61% to 4.79%, despite the weight of sales of PCs and smartphones having risen further. Deducting the positive contribution of Euro 6.1 million from acquisitions which occurred after Q1 20 from the 2021 result, the change in gross profit is estimated to be around +18%.

As is common practice in the sectors where the Group operates, the cost of sales is adjusted downwards to take into account the premiums/rebates for the achievement of targets, development and co-marketing provisions, cash discounts (so-called "prompt payment discounts") and other incentives. It is further reduced by the credit notes issued by vendors in relation to protection agreed for the value of stock.

The gross profit was impacted by the difference between the value of the receivables transferred as part of the revolving non-recourse factoring programme in place and the amounts collected. In the quarter under review, the latter effect was quantified at approximately Euro 0.9 million (Euro 0.8 million in Q1 20).

37-38-39) Operating costs

(euro/000)	Q1 2021	%	Q1 2020	%	Var.	% Var.	FY 2020	%
Sales from contracts with customers	**1,166,038**		**913,762**		**252,276**	***28%***	**4,491,613**	
Sales and marketing costs	16,092	1.38%	13,085	1.43%	3,007	*23%*	51,775	1.15%
Overheads and administrative costs	23,235	1.99%	20,233	2.21%	3,002	*15%*	90,038	2.00%
Impairment loss/reversal of financial assets	20	0.00%	432	0.05%	(412)	*-95%*	4,206	0.09%
Operating costs	**39,347**	**3.37%**	**33,750**	**3.69%**	**5,597**	***17%***	**146,019**	**3.25%**
- of which non recurring	-	0.00%	-	0.00%	-	*0%*	7,193	0.16%
'Recurring' operating costs	**39,347**	**3.37%**	**33,750**	**3.69%**	**5,597**	***17%***	**138,826**	**3.09%**

As at 31 March 2021, operating costs, amounting to Euro 39.3 million, recorded an increase of Euro 5.6 million compared to the same period in 2020, mainly due to the business combinations carried out after Q1 20 (the GTI Group in Spain, the company Dacom S.p.A. and the idMAINT Group in Italy). The incidence on sales, by contrast, fell to 3.37% compared to 3.69% in the corresponding period of 2020.

Reclassification by nature of some categories of operating costs

For the purposes of providing more information, some categories of operating costs allocated by "*function*" have been reclassified by "*nature*".

Labour costs and number of employees

(euro/000)	Q1 2021	%	Q1 2020	%	Var.	% Var.
Sales from contracts with customers	**1,166,038**		**913,762**		**252,276**	***28%***
Wages and salaries	15,372	1.32%	12,188	1.33%	3,184	*26%*
Social contributions	4,541	0.39%	3,658	0.40%	883	*24%*
Pension obligations	575	0.05%	613	0.07%	(38)	*-6%*
Other personnel costs	245	0.02%	232	0.03%	13	*6%*
Employee termination incentives	53	0.00%	125	0.01%	(72)	*-58%*
Share incentive plans	76	0.01%	68	0.01%	8	*12%*
Total labour costs (2)	**20,862**	**1.79%**	**16,884**	**1.85%**	**3,978**	***24%***

(2) Excluding cost of temporary workers.

As at 31 March 2021, the cost of labour came to Euro 20.9 million, an increase of +24% compared to the corresponding period in the previous year, with a change in line with the increase in the average number of employees employed in the quarter with respect to the corresponding period of the previous year, and attributable primarily to the business combinations.

The item "Share plans" refers to the pro-tempore costs of the "Long-Term Incentive Plan" approved in May 2018, by the Shareholders' Meeting of Esprinet S.p.A.

Details of the Group's employees as at 31 March 2021 are provided below, broken down by contractual role:[2]

	Executives	Clerks and middle manager	Workers	Total	Average*
Esprinet S.p.A.	20	815	-	**835**	
Celly S.p.A.	-	-	-	**-**	
Celly Pacific LTD	-	3	-	**3**	
Dacom S.p.A.	1	26	5	**32**	
Idmaint S.r.l.	-	12	-	**12**	
Erredi Deutschland GmbH	-	3	-	**3**	
Erredi France SARL	-	1	-	**1**	
Erredi Iberica SL	-	10	-	**10**	
Nilox Deutschland GmbH	-	-	-	**-**	
4Side S.r.l.	3	12	-	**15**	
V-Valley S.r.l.	-	-	-	-	
Subgroup Italy	**24**	**882**	**5**	**911**	**872**
Esprinet Iberica S.L.U.	-	322	84	**406**	
Vinzeo Technologies S.A.U.	-	179	-	**179**	
V-Valley Iberian S.L.U.	-	-	-	**-**	
Esprinet Portugal Lda	-	33	-	**33**	
GTI Software Y Networking S.A	-	116	-	**116**	
Optima Logistics S.L.U.	-	3	4	**7**	
V-Valley Advanced Solutions Portugal, Unipessoal, Lda	-	-	-	**-**	
GTI Software & Networking SARLAU	-	9	-	**9**	
Subgroup Spain	**-**	**662**	**88**	**750**	**758**
Group as at 31 March 2021	**24**	**1,544**	**93**	**1,661**	**1,630**
Group as at 31 December 2020	**23**	**1,492**	**83**	**1,598**	**1,458**
Var 31/03/2021 - 31/12/2020	1	52	10	63	172
Var %	4%	3%	12%	4%	12%
Group as at 31 March 2020	**22**	**1,210**	**78**	**1,310**	**1,315**
Var 31/03/2021 - 31/03/2020	2	334	15	351	315
Var %	9%	28%	19%	27%	24%

(*) Average of the balance at period-beginning and period-end.

[2] Trainees and temporary workers are excluded.

Amortisation, depreciation, write-downs and accrual for risks

(euro/000)	Q1 2021	%	Q1 2020	%	Var.	% *Var.*
Sales from contracts with customers	**1,166,038**		**913,762**		**252,276**	***28%***
Depreciation of tangible assets	1,051	0.09%	1,029	0.11%	22	*2%*
Amortisation of intangible assets	85	0.01%	92	0.01%	(7)	*-8%*
Depreciation of right-of-use assets	2,616	0.22%	2,464	0.27%	152	6%
Amort . & depreciation	**3,752**	**0.32%**	**3,585**	**0.39%**	**167**	***5%***
Write-downs of fixed assets	-	0.00%	-	0.00%	-	0%
Amort. & depr., write-downs (A)	**3,752**	**0.32%**	**3,585**	**0.39%**	**167**	***5%***
Accruals for risks and charges (B)	55	0.00%	25	0.00%	30	*120%*
Amort. & depr., write-downs, accruals for risks (C=A+B)	**3,807**	**0.33%**	**3,610**	**0.40%**	**197**	***5%***

42) Finance costs net

(euro/000)	Q1 2021	%	Q1 2020	%	Var.	% *Var.*	FY 2020	%
Sales from contracts with customers	**1,166,038**		**913,762**		**252,276**	***28%***	**4,491,613**	
Interest expenses on borrowings	468	0.04%	252	0.03%	216	*86%*	1,244	0.03%
Interest expenses to banks	4	0.00%	70	0.01%	(66)	*-94%*	734	0.02%
Other interest expenses	-	0.00%	2	0.00%	(2)	*-100%*	3	0.00%
Upfront fees amortisation	133	0.01%	114	0.01%	19	*17%*	470	0.01%
Financial charges for actualization	(2)	0.00%	-	0.00%	(2)	*-100%*	1	0.00%
IAS 19 expenses/losses	5	0.00%	9	0.00%	(4)	*-44%*	35	0.00%
IFRS financial lease interest expenses	791	0.07%	848	0.09%	(57)	*-7%*	3,336	0.07%
Charges from fair value changes	-	0.00%	-	0.00%	-	*-100%*	5	0.00%
Total financial expenses (A)	**1,399**	**0.12%**	**1,295**	**0.14%**	**104**	***8%***	**5,828**	**0.13%**
Interest income from banks	(1)	0.00%	(13)	0.00%	12	*-92%*	(17)	0.00%
Interest income from others	(18)	0.00%	(14)	0.00%	(4)	*29%*	(248)	-0.01%
Income from fair value changes	4	0.00%	(2)	0.00%	6	*+100%*	(2)	0.00%
Total financial income(B)	**(15)**	**0.00%**	**(29)**	**0.00%**	**14**	***-48%***	**(267)**	**-0.01%**
Net financial exp. (C=A+B)	**1,384**	**0.12%**	**1,266**	**0.14%**	**118**	***9%***	**5,561**	**0.12%**
Foreign exchange gains	(319)	-0.03%	(180)	-0.02%	(139)	*77%*	(2,692)	-0.06%
Foreign exchange losses	1,393	0.12%	1,391	0.15%	2	*0%*	2,230	0.05%
Net foreign exch. (profit)/losses (D)	**1,074**	**0.09%**	**1,211**	**0.13%**	**(137)**	***-11%***	**(462)**	**-0.01%**
Net financial (income)/costs (E=C+D)	**2,458**	**0.21%**	**2,477**	**0.27%**	**(19)**	***-1%***	**5,099**	**0.11%**

The overall balance between financial income and expense, which is negative for Euro 2.5 million, is essentially in line with the corresponding period of the previous year, albeit representative of a restructuring of medium/long-term loans and short-term treasury lines.

45) Taxes

(euro/000)	Q1 2021	%	Q1 2020	%	% *Var.*	FY 2020	%
Sales from contracts with customers	**1,166,038**		**913,762**		***28%***	**4,491,613**	
Current income taxes	3,556	0.30%	1,839	0.20%	***93%***	6,825	0.15%
Deferred income taxes	324	0.03%	90	0.01%	***260%***	3,932	0.09%
Taxes	**3,880**	0.33%	**1,929**	0.21%	***101%***	**10,757**	0.24%
Profit before taxes	**14,088**		**5,866**			**42,549**	
Tax rate	***28%***		***33%***			***25%***	

Income tax expenses, equal to Euro 3.9 million, increased by 101% compared with the same period of 2020 due to a higher taxable income.
The tax rate decreased due to the combined effect, inter alia, of the increased incidence of the result of the Subgroup Spain, subject to a less elevated tax rate, with respect to the Subgroup Italy and an estimated greater incidence of permanent differences in the first quarter of the previous year.

46) Net income and earnings per share

(euro/000)	Q1 2021	Q1 2020	Var.	% *Var.*
Net income	**10,208**	**3,937**	**6,271**	***159%***
Weighed average no. of shares in circulation: basic	49,784,123	48,410,843		
Weighed average no. of shares in circulation: diluted	50,862,561	49,227,045		
Earnings per share in euro: basic	**0.21**	**0.08**	**0.13**	***163%***
Earnings per share in euro: diluted	**0.20**	**0.08**	**0.12**	***150%***

1,150,000 own shares held in the portfolio were excluded from the calculation of the "basic" earnings per share.

For the purposes of calculating "diluted" earnings per share, 1,086,345 shares were considered, that will potentially be involved in the Stock Grant Plan approved on 4 May 2018 by the Shareholders' Meeting of Esprinet S.p.A. (number of shares quantified in relation to the level of attainment of the targets set in the Long-Term Compensation Plan and the continuation of the professional relationship by the individual beneficiaries).

4. Consolidated statement of financial position and notes

4.1 Consolidated statement of financial position

The table below shows the consolidated statement of financial position drawn up according to IFRS principles, together with the information required pursuant to CONSOB Resolution No. 15519 of 27 July 2006:

(euro/000)	31/03/2021	related parties *	31/12/2020	related parties *
ASSETS				
Non-current assets				
Property, plant and equipment	12,932		12,498	
Right-of-use assets	114,247		99,928	
Goodwill	108,555		108,442	
Intangible assets	819		722	
Deferred income tax assets	13,236		12,950	
Receivables and other non-current assets	2,477	-	2,917	-
	252,266	**-**	**237,457**	**-**
Current assets				
Inventory	512,077		402,755	
Trade receivables	534,867	5	584,037	5
Income tax assets	284		410	
Other assets	80,129	-	40,186	-
Attività per strumenti derivati	15		27	
Cash and cash equivalents	219,720		558,928	
	1,347,092	**5**	**1,586,343**	**5**
Total assets	**1,599,358**	**5**	**1,823,800**	**5**
EQUITY				
Share capital	7,861		7,861	
Reserves	379,415		347,602	
Group net income	10,233		31,405	
Group net equity	**397,509**		**386,868**	
Non-controlling interests	1,628		2,095	
Total equity	**399,137**		**388,963**	
LIABILITIES				
Non-current liabilities				
Borrowings	100,657		107,069	
Lease liabilities	108,088		93,999	
Deferred income tax liabilities	11,920		11,309	
Retirement benefit obligations	5,557		4,847	
Debts for investments in subsidiaries	1,730		230	
Provisions and other liabilities	3,344		3,702	
	231,296		**221,156**	
Current liabilities				
Trade payables	811,882	-	1,107,826	8
Short-term financial liabilities	95,759		56,049	
Lease liabilities	9,567		8,867	
Income tax liabilities	3,271		224	
Debts for investments in subsidiaries	2,109		220	
Provisions and other liabilities	46,337	-	40,495	-
	968,925	**-**	**1,213,681**	**8**
Total liabilities	**1,200,221**	**-**	**1,434,837**	**8**
Total equity and liabilities	**1,599,358**	**-**	**1,823,800**	**8**

(*) Further information on operation with Related Parties can be found in the relevant section in the "Interim Directors' Report on Operations".

4.2 Notes to the most significant statement of financial position items

4.2.1 Gross investments

(euro/000)	31/03/21 Esprinet Group	31/03/21 Subgroup Italy	31/03/21 Subgroup Iberian	31/12/2020 Esprinet Group
Plant and machinery	85	13	72	1,042
Ind. And comm. Equipment & Other assets	1,608	1,565	43	8,026
Assets under construction and advances	688	652	36	356
Total Property, plant and equipment	**2,381**	**2,230**	**151**	**9,424**
Industrial patents and intellectual rights	150	150	-	3,272
Licences, concessions, brand names and similar rights	-	-	-	-
Others	-	-	-	-
Assets under construction and advances	146	146	-	173
Total intangible asstes	**296**	**296**	**-**	**3,445**
Total gross investments	**2,677**	**2,526**	**151**	**12,869**

"Investments" refer for Euro 1.0 million to the historical cost of warehouse equipment, furniture and fittings, electronic machines, vehicles, and for Euro 0.2 million to software licences acquired in Italy through the company Dacom S.p.A. and the idMAINT Group.

Additional investments set out in the item "Industrial and commercial equipment and other assets", amounting to Euro 0.5 million, refer primarily to the purchase of electronic machines by the parent company.

The investments pursuant to the item "Assets under construction" refer mainly to plants and machinery in the process of being installed in the new additional Italian warehouse in Cavenago.

4.2.2 Net financial debt and covenants

(euro/000)	31/03/2021	31/12/2020	Var.	31/03/2020	Var.
Short-term financial liabilities	95,759	56,049	39,710	98,226	(2,467)
Lease liabilities	9,567	8,867	700	8,544	1,023
Current debts for investments in subsidiaries	2,109	220	1,889	-	2,109
Current financial (assets)/liabilities for derivatives	(15)	(27)	12	-	(15)
Financial receivables from factoring companies	(16,669)	(147)	(16,522)	(7,554)	(9,115)
Other current financial receivables	(9,898)	(9,617)	(281)	(9,875)	(23)
Cash and cash equivalents	(219,720)	(558,928)	339,208	(116,567)	(103,153)
Net current financial debt	**(138,867)**	**(503,583)**	**364,716**	**(27,226)**	**(111,641)**
Borrowings	100,657	107,069	(6,412)	56,700	43,957
Lease liabilities	108,088	93,999	14,089	98,149	9,939
Non - current debts for investments in subsidiaries	1,730	230	1,500	-	1,730
Other non - current financial receivables	-	(492)	492	(495)	495
Net financial debt	**71,608**	**(302,777)**	**374,385**	**127,128**	**(55,520)**

For the definition of financial payables adopted, please refer to the paragraph "*Main measurement criteria and accounting policies*" contained in the consolidated financial statements as at 31 December 2020.

The Group's net financial position, negative for Euro 71.6 million, corresponds to a net balance of gross financial payables of Euro 196.4 million, payables for purchase of equity investments of Euro 3.8 million, financial receivables of Euro 26.5 million, financial lease liabilities of Euro 117.7 million and cash and cash equivalents equal to Euro 219.8 million.

Cash and cash equivalents consist mainly of free and unrestricted bank deposits of a transitional nature as they are formed temporarily at the end of the month as a result of the Group's distinctive financial cycle.
A feature of this cycle is the high concentration of funds received from customers and factoring companies – the latter in the form of net income from the without-recourse assignment of trade receivables – normally received at the end of each calendar month, while payments to suppliers, also tending to be concentrated at the end of the period, are usually spread more equally throughout the month. For this reason, the spot figure at the end of a period does not represent the net financial indebtedness or the average treasury resources for the same period.

During the first quarter of 2021, within the framework of the working capital management policies, the programme of non-recourse definitive revolving factoring of receivables due from selected customer segments in Italy and Spain continued, for the most part belonging to the large-scale retail trade segment. In addition to this, the securitisation programme also continued during the period, launched in Italy in July 2015 and renewed in July 2018, for additional trade receivables. Considering the fact that the aforementioned programmes entail the full transfer of the risks and benefits to the assignees, the receivables subject to assignment are eliminated from balance sheet assets in compliance with IFRS 9. The overall effect on the level of net financial payables as at 31 March 2021 is quantified at roughly Euro 353.6 million (Euro 536.6 million as at 31 December 2020 and Euro 401.5 million as at 31 March 2020).

The Group companies have medium/long-term loan agreements in place, some of which are secured by typical economic-financial covenant structures for transactions of said kind, that contain standard acceleration clauses for reimbursements in the event they are not respected.
Two unsecured "amortising" 5-year loans expiring in February 2024, granted to the subsidiary Esprinet Iberica S.L.U. for a total value of Euro 12.1 million in principal as at 31 March 2021, require the annual commitment of observance of (i) a given ratio of extended net financial indebtedness to EBITDA at consolidated level and (ii) a maximum value of medium/long-term loans in favour of Esprinet Iberica.

The unsecured amortising 5-year loan granted to Esprinet S.p.A. by Cassa Depositi e Prestiti S.p.A., expiring in December 2025, for a total of Euro 35.0 million in principal as at 31 March 2021, also provides for the annual commitment of observance of a given ratio of net financial indebtedness to EBITDA at consolidated level, but also half-yearly observance of a given ratio of consolidated net financial indebtedness to shareholders' equity.

In addition to medium/long-term loans, also an "unsecured" 3-year RCF-Revolving Credit Facility, expiring in September 2022, taken out by Esprinet S.p.A. with a pool of domestic and international banks for a total of Euro 152.5 million and not drawn down as at 31 March 2021, is secured by the following structure of financial covenants, to be verified every six months on the basis of the data of the consolidated and certified financial statements:

- ratio of net financial indebtedness to EBITDA (only to be verified annually);
- ratio of extended net financial indebtedness to shareholders' equity;
- ratio of EBITDA to net financial charges;
- amount of "gross net financial position".

The various medium/long-term loan agreements, including those that do not make provision for financial covenants and on the above-mentioned Revolving Credit Facility, also contain the usual "negative pledge", "pari passu" and similar clauses that, at the date of drafting of this report, were respected.

4.2.3 Goodwill

Goodwill amounted to Euro 108.6 million and, with respect to Euro 108.4 million recognised as at 31 December 2020, increased due to the accounting of goodwill determined provisionally as permitted by IFRS 3, which emerged following the first-time consolidation of the company Dacom S.p.A., acquired by the parent company in January 2021.

The following table summarises the goodwill allocations to the 2 CGUs (Cash Generating Units) identified, in accordance with the combination of the operating segments used for Segment Information purposes required by the international accounting standards. The same table also shows the relationships between the operating segments and the legally autonomous entities which form the Group:

(euro/000)	31/03/2021	31/12/2020	Var.		
Esprinet S.p.A.	19,384	19,271	113	CGU 1	B2B distribution of Information Technology and Consumer Electronics (Italy)
Esprinet Iberica S.l.u.	89,171	89,171	-	CGU 2	B2B distribution of Information Technology and Consumer Electronics (Spain)
Total	**108,555**	**108,442**	**113**		

The annual impairment test, required by IAS 36, was carried out in reference to the financial statements as at 31 December 2020 and no impairment loss was identified with reference to the CGUs existing at that date.

International accounting standard IAS 36 also requires that the impairment test on the goodwill be carried out more frequently in the presence of indicators of impairment loss (so-called "triggering events"), which may be both external or internal as regards the company.
IAS 34 clarifies that, at the time of drafting of interim financial statements, where the presence of said triggering events is identified, the impairment test must be carried out with the same methods as the annual impairment test.
The Covid-19 pandemic, which materialised in Europe in February 2020, and is still ongoing although with much more contained effects, given also the ever increasing number of individuals being vaccinated, is an event that has required additional evaluations in analysing the aforementioned triggering events.
For the purposes of the drafting of this interim management statement, the Esprinet Group evaluated the existence, and in the case in point examined the actual implications, for each CGU, of the following indicators of impairment:
- any deterioration in the macroeconomic and macro-financial conditions;
- any deterioration in the economic environment and market of operations;
- operating discontinuity;
- discontinuity in cost factors;
- unfavourable trend in market rates or other capital remuneration rates as such to affect the discount rate used in calculating the value in use;
- any verification of negative operating events;
- reduction in the value of the stock market capitalisation with respect to reported shareholders' equity.

We reached the conclusion that none of the indicators listed suggested the existence of impairment. The main reasons are the growth in the markets of operations of the CGUs, still driven by the demand for technology instruments and IT solutions to meet smart-working and e-learning needs, but nonetheless positive also in the other business lines, and in the absence of critical impacts on the discount rates used in calculating the value in use (WACC) in relation to the change in reference rates. Therefore, there was no need to carry out an impairment test on goodwill.

For more detailed information on goodwill and the impairment test performed as at 31 December 2020, please refer to the explanatory notes reported under item *"Goodwill"* in the Notes to the *Consolidated Financial Statements* as at 31 December 2020.

5. Consolidated statement of changes in shareholders' equity

(euro/000)	Share capital	Reserves	Own shares	Profit for the period	Total net equity	Minority interest	Group net equity
Balance at 31 December 2019	**7,861**	**336,255**	**(8,647)**	**23,553**	**359,022**	**2,508**	**356,514**
Total comprehensive income/(loss)	**-**	**204**	**-**	**3,937**	**4,141**	**(47)**	**4,188**
Allocation of last year net income/(loss)	-	23,553	-	(23,553)	**-**	-	**-**
Transactions with owners	**-**	**23,553**	**-**	**(23,553)**	**-**	**-**	**-**
Currently active Share plans	-	309	-	-	**309**	-	**309**
Assignment of Esprinet own shares	-	(1,656)	-	-	**(1,656)**	-	**(1,656)**
Other variations	-	8	-	-	**8**	1	**7**
Balance at 31 March 2020	**7,861**	**358,673**	**(8,647)**	**3,937**	**361,824**	**2,462**	**359,362**
Balance at 31 December 2020	**7,861**	**354,111**	**(4,800)**	**31,791**	**388,963**	**2,095**	**386,868**
Total comprehensive income/(loss)	-	151	-	10,208	**10,359**	(20)	**10,379**
Allocation of last year net income/(loss)	-	31,791	-	(31,791)	**-**	-	**-**
Dividend payment	-	(447)	-	-	**(447)**	(447)	**-**
Transactions with owners	**-**	**31,344**	**-**	**(31,791)**	**(447)**	**(447)**	**-**
Equity plans in progress	-	248	-	-	**248**	-	**248**
Other variations	-	14	-	-	**14**	-	**14**
Balance at 31 March 2021	**7,861**	**385,868**	**(4,800)**	**10,208**	**399,137**	**1,628**	**397,509**

6. Consolidated statement of cash flows[3]

(euro/000)	Q1 2021	Q1 2020
Cash flow provided by (used in) operating activities (D=A+B+C)	**(331.767)**	**(396.202)**
Cash flow generated from operations (A)	**19.761**	**12.561**
Operating income (EBIT)	16.546	8.343
Income from business combinations	(168)	-
Depreciation, amortisation and other fixed assets write-downs	3.752	3.585
Net changes in provisions for risks and charges	(439)	289
Net changes in retirement benefit obligations	(178)	35
Stock option/grant costs	248	309
Cash flow provided by (used in) changes in working capital (B)	**(350.162)**	**(406.993)**
Inventory	(92.701)	45.009
Trade receivables	74.181	62.040
Other current assets	(22.283)	(1.306)
Trade payables	(313.892)	(513.667)
Other current liabilities	4.533	931
Other cash flow provided by (used in) operating activities (C)	**(1.366)**	**(1.770)**
Interests paid	(622)	(666)
Received interests	20	27
Foreign exchange (losses)/gains	(698)	(1.131)
Income taxes paid	(66)	-
Cash flow provided by (used in) investing activities (E)	**(27.781)**	**(927)**
Net investments in property, plant and equipment	(18.149)	(659)
Net investments in intangible assets	(150)	(283)
Net investments in other non current assets	(16)	15
Dacom business combination	(8.981)	-
idMAINT business combination	(485)	-
Cash flow provided by (used in) financing activities (F)	**20.340**	**49.919**
Medium/long term borrowing	750	-
Repayment/renegotiation of medium/long-term borrowings	(6.031)	(4.301)
Leasing liabilities remboursement	14.516	(2.405)
Net change in financial liabilities	27.855	61.989
Net change in financial assets and derivative instruments	(16.303)	(3.708)
Dividend payments	(447)	-
Own shares acquisition	-	(1.656)
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**(339.208)**	**(347.210)**
Cash and cash equivalents at year-beginning	**558.928**	**463.777**
Net increase/(decrease) in cash and cash equivalents	**(339.208)**	**(347.210)**
Cash and cash equivalents at year-end	**219.720**	**116.567**

[3] Effects of relationships with related parties are omitted as non significant.

The table below shows the changes in the period and the correspondence with the exact position at the end of the same period:

(euro/000)	Q1 2021	Q1 2020
Net financial debt at year-beginning	**(302,777)**	**(272,275)**
Cash flow provided by (used in) operating activities	(331,767)	(396,202)
Cash flow provided by (used in) investing activities	(27,781)	(927)
Cash flow provided by (used in) changes in net equity	(447)	(1,656)
Total cash flow	**(359,995)**	**(398,785)**
Unpaid interests	(504)	(329)
Unpaid leasing interests	(273)	(289)
Net Financial debts (no cash) acquisitions	(10,224)	-
Deferred price acquisitions	(3,389)	-
Net financial debt at year-end	**71,608**	**127,128**
Short-term financial liabilities	95,759	98,226
Lease liabilities	9,567	8,544
Customers financial receivables	(9,898)	(9,875)
Current financial (assets)/liabilities for derivatives	(15)	-
Financial receivables from factoring companies	(16,669)	(7,554)
Current Debts for investments in subsidiaries	2,109	-
Cash and cash equivalents	(219,720)	(116,567)
Net current financial debt	**(138,867)**	**(27,226)**
Borrowings	100,657	56,700
Lease liabilities	108,088	98,149
Non current Debts for investments in subsidiaries	1,730	-
Customers financial receivables	-	(495)
Net financial debt at year-beginning	**71,608**	**127,128**

7. Relationships with related parties

Group operations with related parties, as defined by IAS 24, were effected in compliance with current laws and according to mutual economic advantage.
Any products sold to individuals were sold under the same conditions as those usually applied to employees.

Transactions between the parent company Esprinet S.p.A. and its subsidiaries included in the scope of consolidation were de-recognised in the interim consolidated financial statements and therefore do not appear in this section.

During the period, relationships with related parties consisted essentially in the sale of products and services under market conditions between Group's entities and companies where the key management personnel or shareholders of Esprinet S.p.A. play important roles.
Relationships with key managers consisted in the compensation awarded for services rendered by the same.

Sales realised are related to the sales of consumer electronic products to business and private customers under normal market conditions.
The provision of services received refer primarily to the charge-backs for utilities or expenses for various administrative services.
The total value of the aforementioned transactions is not material compared with the total volume of the Group's activities.

8.Segment information

8.1 Introduction

The Esprinet Group is organised in the geographical business areas of Italy and the Iberian Peninsula (operating segments) where it performs the business-to-business (B2B) distribution of Information Technology (IT) and consumer electronics.

"Business-to-business" (B2B) distribution of IT and consumer electronics:
- is geared towards specialist professional resellers such as value-added resellers (also known as "VARs"), system integrators, corporate resellers, dealers, but also large-scale retail operators;
- regards traditional IT products (notebooks, monitors, printers, photocopiers, toners, accessories, servers, "standard" software), advanced IT products (so-called world of "Advanced Solutions" relating to networking, cloud solutions, datacentres and cybersecurity, services) software (modems, routers, switches), consumer electronics (smartphones, audio-video, TVs, gaming, household appliances, electric mobility).

The organisation by geographical areas represents the main form of management and analysis of Group results by the CODMs (Chief Operating Decision Makers).
A "geographical area" is involved in investments and transactions aimed at providing products or services within a particular economic environment that is subject to risks and returns that are different from those achievable in other geographical areas.

8.2 Segment results

The separate income statement, statement of financial position and other significant information regarding each of the Esprinet Group's operating segments are as follows:

Separate income statement and other significant information by operating segments

(euro/000)	Q1 2021			
	Italy	Iberian Pen.	Elim. and other	Group
	Distr. IT & CE B2B	Distr. It & CE B2B		
Sales to third parties	742,497	423,541	-	1,166,038
Intersegment sales	9,890	-	(9,890)	-
Sales from contracts with customers	**752,387**	**423,541**	**(9,890)**	**1,166,038**
Cost of sales	(715,960)	(404,068)	9,883	(1,110,145)
Gross profit	**36,427**	**19,473**	**(7)**	**55,893**
Gross Profit %	*4.84%*	*4.60%*		*4.79%*
Sales and marketing costs	(10,833)	(5,260)	1	(16,092)
Overheads and admin. costs	(16,555)	(6,687)	7	(23,235)
Impairment loss/reversal of financial assets	54	(74)	-	(20)
Operating income (Ebit)	**9,093**	**7,452**	**1**	**16,546**
EBIT %	*1.21%*	*1.76%*		*1.42%*
Finance costs - net				(2,458)
Profit before income tax				**14,088**
Income tax expenses				(3,880)
Net income				**10,208**
- of which attributable to non-controlling interests				(25)
- of which attributable to Group				10,233
Depreciation and amortisation	**2,722**	**950**	79	**3,752**
Other non-cash items	**942**	**23**	-	**965**
Investments	**2,526**	**151**	-	**2,677**
Total assets	**1,108,862**	**571,021**	(80,525)	**1,599,358**

(euro/000)	Q1 2020			
	Italy	Iberian Pen.	Elim. and other	Group
	Distr. IT & CE B2B	Distr. IT & CE B2B		
Sales to third parties	599,777	313,985	-	913,762
Intersegment sales	11,298	-	(11,298)	-
Sales from contracts with customers	**611,075**	**313,985**	**(11,298)**	**913,762**
Cost of sales	(580,468)	(302,554)	11,353	(871,669)
Gross profit	**30,607**	**11,431**	**55**	**42,093**
Gross profit %	*5.01%*	*3.64%*		*4.61%*
Sales and marketing costs	(9,965)	(3,120)	-	(13,085)
Overheads and admin. costs	(15,036)	(5,203)	6	(20,233)
Impairment loss/reversal of financial assets	(399)	(33)	-	(432)
Operating income (Ebit)	**5,207**	**3,075**	**61**	**8,343**
EBIT %	*0.85%*	*0.98%*		*0.91%*
Finance costs - net				(2,477)
Profit before income tax				**5,866**
Income tax expenses				(1,929)
Net income				**3,937**
- of which attributable to non-controlling interests				(60)
- of which attributable to Group				3,997
Depreciation and amortisation	**2,710**	**784**	91	**3,585**
Other non-cash items	**1,000**	**23**	-	**1,023**
Investments	**752**	**191**	-	**943**
Total assets	**904,935**	**424,994**	(80,055)	**1,249,874**

Statement of financial position by operating segments

(euro/000)	31/03/2021			
	Italy	Iberian Pen.		
	Distr. IT & CE B2B	Distr. IT & CE B2B	Elim. and other	Group
ASSETS				
Non-current assets				
Property, plant and equipment	10,146	2,786	-	12,932
Right-of-use assets	91,610	22,637	-	114,247
Goodwill	19,384	88,132	1,039	108,555
Intangible assets	739	80	-	819
Investments in others	75,886	-	(75,886)	-
Deferred income tax assets	5,530	7,623	83	13,236
Receivables and other non-current assets	1,920	557	-	2,477
	205,215	**121,815**	**(74,764)**	**252,266**
Current assets				
Inventory	363,430	148,908	(261)	512,077
Trade receivables	332,565	202,302	-	534,867
Income tax assets	-	284	-	284
Other assets	80,374	5,255	(5,500)	80,129
Derivative financial assets	-	15	-	15
Cash and cash equivalents	127,278	92,442	-	219,720
	903,647	**449,206**	**(5,761)**	**1,347,092**
Total assets	**1,108,862**	**571,021**	**(80,525)**	**1,599,358**
EQUITY				
Share capital	7,861	54,693	(54,693)	7,861
Reserves	303,672	95,984	(20,241)	379,415
Group net income	5,051	5,170	12	10,233
Group net equity	**316,584**	**155,847**	**(74,922)**	**397,509**
Non-controlling interests	1,628	103	(103)	1,628
Total equity	**318,212**	**155,950**	**(75,025)**	**399,137**
LIABILITIES				
Non-current liabilities				
Borrowings	39,836	60,821	-	100,657
Lease liabilities	87,186	20,902	-	108,088
Deferred income tax liabilities	3,425	8,495	-	11,920
Retirement benefit obligations	5,557	-	-	5,557
Debts for investments in subsidiaries	1,730	-	-	1,730
Provisions and other liabilities	1,644	1,700	-	3,344
	139,378	**91,918**	**-**	**231,296**
Current liabilities				
Trade payables	550,944	260,938	-	811,882
Short-term financial liabilities	61,029	34,730	-	95,759
Lease liabilities	7,097	2,470	-	9,567
Income tax liabilities	1,967	1,304	-	3,271
Debts for investments in subsidiaries	2,109	-	-	2,109
Provisions and other liabilities	28,126	23,711	(5,500)	46,337
	651,272	**323,153**	**(5,500)**	**968,925**
Total liabilities	**790,650**	**415,071**	**(5,500)**	**1,200,221**
Total equity and liabilities	**1,108,862**	**571,021**	**(80,525)**	**1,599,358**

(euro/000)	31/12/2020			
	Italy	Iberian Pen.		
	Distr. IT & CE B2B	Distr. IT & CE B2B	Elim. and other	Group
ASSETS				
Non-current assets				
Property, plant and equipment	9,661	2,837	-	12,498
Right-of-use assets	81,060	18,868	-	99,928
Goodwill	19,271	88,132	1,039	108,442
Intangible assets	623	99	-	722
Investments in others	75,863	-	(75,863)	-
Deferred income tax assets	5,241	7,626	83	12,950
Receivables and other non-current assets	2,373	544	-	2,917
	194,092	**118,106**	**(74,741)**	**237,457**
Current assets				
Inventory	265,034	137,983	(262)	402,755
Trade receivables	351,729	232,308	-	584,037
Income tax assets	126	284	-	410
Other assets	36,520	8,126	(4,460)	40,186
Derivative financial assets	-	27	-	27
Cash and cash equivalents	331,980	226,948	-	558,928
	985,389	**605,676**	**(4,722)**	**1,586,343**
Total assets	**1,179,481**	**723,782**	**(79,463)**	**1,823,800**
EQUITY				
Share capital	7,861	54,693	(54,693)	7,861
Reserves	291,698	76,396	(20,492)	347,602
Group net income	11,573	19,559	273	31,405
Group net equity	**311,132**	**150,648**	**(74,912)**	**386,868**
Non-controlling interests	2,095	91	(91)	2,095
Total equity	**313,227**	**150,739**	**(75,003)**	**388,963**
LIABILITIES				
Non-current liabilities				
Borrowings	39,715	67,354	-	107,069
Lease liabilities	76,851	17,148	-	93,999
Deferred income tax liabilities	3,271	8,038	-	11,309
Retirement benefit obligations	4,847	-	-	4,847
Debts for investments in subsidiaries	230	-	-	230
Provisions and other liabilities	2,018	1,684	-	3,702
	126,932	**94,224**	**-**	**221,156**
Current liabilities				
Trade payables	680,065	427,761	-	1,107,826
Short-term financial liabilities	32,596	23,453	-	56,049
Lease liabilities	6,581	2,286	-	8,867
Income tax liabilities	67	157	-	224
Debts for investments in subsidiaries	220	-	-	220
Provisions and other liabilities	19,793	25,162	(4,460)	40,495
	739,322	**478,819**	**(4,460)**	**1,213,681**
Total liabilities	**866,254**	**573,043**	**(4,460)**	**1,434,837**
Total equity and liabilities	**1,179,481**	**723,782**	**(79,463)**	**1,823,800**

9. Atypical and/or unusual operations

The management does not believe that any transactions were atypical or unusual according to the definition provided by CONSOB in communication No. DEM 6064293 of 28 July 2006.

10. Significant non-recurring events and operations

In the first quarter of 2021, no non-recurring transactions and events were identified, the same as in the quarter of the corresponding comparative period.

11. Significant events occurring in the period

The significant events that occurred during the period are briefly described as follows:

Purchase of 100% of the share capital of Dacom S.p.A. and of the idMAINT Group

On 22 January 2021, Esprinet S.p.A. purchased the whole share capital of Dacom S.p.A., leader in the specialised distribution of products and solutions for Automatic Identification and Data Capture (AIDC) and the whole share capital of idMAINT S.r.l., a company specialised in pre and after sales maintenance and technical support services on Auto-ID products.

The execution of the agreement, occurred after obtaining the anti-trust authorisation by the Italian Anti-trust Authorities, envisaged an estimated consideration of Euro 13.7 million, of which Euro 10.3 million paid in cash at the purchase date. The final price will be determined at the end of the 12th month after the closing on the basis of price adjustment mechanisms linked to the calculation of actual shareholders' equity, inventory quality and credit position.

With this transaction the Group further strengthens its position in the Advanced Solutions segment, becoming the leading distributor in Southern Europe in the AIDC business niche.

Merger by incorporation of DIODE España, S.A.U. in GTI Software Y Networking S.A.

The deed of merger by incorporation in GTI Software Y Networking S.A. of its subsidiary DIODE España, S.A.U. was stipulated on 31 March 2021.

The merger is effective from that date from a legal point of view, while accounting and tax effects were backdated to 1 January 2021.
Upon completion of the merger, GTI Software Y Networking S.A. thus took over all the legal relationships of DIODE España, S.A.U., taking on all relevant rights and obligations in place prior to the merger.

Developments in tax disputes

Esprinet S.p.A. has a number of pending lawsuits involving requests for the payment of indirect taxes brought against the Company, for a total amount of Euro 18.7 million, plus penalties and interest, in relation to transactions undertaken between 2011 and 2013. Since several customers had filed "declarations of intent" but, subsequent to a tax audit, failed to fulfil the requirements needed to qualify as a frequent exporter, the tax authority is now claiming VAT from the Company on those sales transactions.

In relation to the aforementioned disputes, there are no updates to report regarding judgments, but solely the payment, between February and March 2021, as set forth in the administrative proceedings, of Euro 23.3 million which, as all stages of legal proceedings are yet to be concluded, was recognised in the financial statements under the item "Other tax receivables", as occurred with previous payments.

12. Subsequent events

Relevant events occurred after period end are briefly described below:

Esprinet S.p.A. Annual Shareholders' Meeting

The Ordinary Shareholders' Meeting of Esprinet S.p.A. was held on 7 April 2021, which, as regards the various items on the agenda:

- approved the financial statements for the year ended 31 December 2020, allocating Euro 9.2 million of the net profit realised to increase the Extraordinary reserve, based on the prior allocation of Euro 0.1 million to the Foreign currency translation reserve;
- resolved the distribution of a dividend of Euro 0.54 per share, excluding own shares in the portfolio as at 10 May 2021;
- following the expiry of the previous term of office, appointed the Board of Directors and the Board of Statutory Auditors, which will remain in office until approval of the financial statements for the 2023 financial year;
- acknowledged the Consolidated Financial Statements and the Sustainability Report as at 31 December 2020;
- approved the Report on Remuneration;
- authorised the purchase of ordinary own shares for 18 months from the approval date and, nonetheless, up to a maximum limit of 5% of the Company's share capital;
- approved a compensation plan ("Long-Term Incentive Plan") addressed to members of the Board of Directors, general managers, senior managers, employees and contractors of the Company and of Group companies, relating to the allocation of stock grant rights on the Company's ordinary shares ("Performance Stock Grant") to beneficiaries, who will be identified by the Board of Directors, in the maximum amount of 1,150,000 Company shares;
- approved the addition to the compensation of the independent auditors following the expansion in the scope of consolidation and the disclosure required by Spanish legislation Ley 11/2018 in relation to the Consolidated Non-Financial Statement (NFS).

Granting of shares to beneficiaries pursuant to the 2018-2020 Long-Term Incentive Plan

On 7 April 2021, following the presentation and approval of the consolidated financial statements as at 31 December 2020 by the Shareholders' Meeting of Esprinet S.p.A., and taking into account the successful achievement of the financial targets set for the 2018-2020 three-year period, the free stock grants of Esprinet. S.p.A. ordinary shares referring to the Long-Term Incentive Plan approved by the Shareholders' Meeting of 4 May 2018 became exercisable.
Consequently, the beneficiaries were granted 1,086,345 shares already owned by the Company which, following said transaction, saw the number of own shares in the portfolio fall to 63,655, equal to 0.21% of the share capital.
20% of the shares granted to the beneficiaries is subject to a lock-up period of one year from the grant date.

Transfer of shares to Axopa S.r.l. and adjustment of the shareholders' agreement between the Shareholders of Esprinet S.p.A.

On 12 April 2021, Maurizio Rota and Alessandro Cattani, Chairman of the Board of Directors and Chief Executive Officer of Esprinet S.p.A. respectively, transferred 371,584 shares corresponding to 70% of Esprinet shares granted to them as part of the "Long-Term Incentive Plan 2018-2020", to the vehicle controlled by them called Axopa S.r.l. which, therefore, reached a stake of 9.79% in the share capital of Esprinet S.p.A.

At the same time, the shareholders' agreement signed on 6 July 2020 by Axopa S.r.l. with the shareholder Francesco Monti saw the total number of shares with voting rights contributed to the agreement rise to 13,222,559 (equal to 25.96% of the number of shares representing the entire share capital of Esprinet S.p.A.).

Approval of the plan for the merger by incorporation of Celly S.p.A. in Esprinet S.p.A.

On 19 April 2021, Esprinet S.p.A.'s Board of Directors approved the plan for the merger by incorporation of the wholly-owned subsidiary Celly S.p.A.
This transaction is incorporated in the process mapped out to maximise commercial and operating synergies with the subsidiary launched with the purchase, at the end of October 2020, of the remaining shares held by the minority shareholder, and continued with the signing, on 4 January 2021, of a business rental agreement, as a result of which Esprinet S.p.A. took over all legal relationships in place with Celly S.p.A.'s customers and suppliers, with the exception of the receivables and payables already existing at the date the rental agreement was signed which, until the date of the merger, will continue to be owned by the subsidiary.

As this is a merger by incorporation of a wholly-owned subsidiary, the transaction will take place in "simplified" form, for which the resolution is not passed by the Shareholders' Meeting but by the Boards of Directors of the two companies through a public deed, based on the balance sheet positions of both companies as at 31 December 2020, as resulting from the financial statements approved by their Shareholders' Meetings.
The decision regarding the merger will be presented for approval by the Boards of Directors of the two companies, with the drafting of a public deed.

The legal effects of the merger will take effect from the first day after the one on which the last of the registrations at the relevant Chamber of Commerce of the two companies is completed, with the accounting and tax effects backdated to the first day of the financial year in progress at the merger date.
From the date of completion of the merger transaction, Esprinet S.p.A. will take over all the legal relationships of Celly S.p.A., also those prior to the date of the business rental, taking on all relevant rights and obligations in place prior to the merger.

Assignment of rights of the "2021-2023 Long-Term Incentive Plan"

On 22 April 2021, pursuant to the Shareholders' Meeting resolution of 7 April 2021 concerning the Long-Term Incentive Plan in favour of Board Members of Esprinet S.p.A. and Group executives, 1,011,318 rights (with respect to the maximum of 1,150,000 rights resolved by the Shareholders' Meeting) were granted, which can be freely converted into Esprinet S.p.A. shares.
The exercise of the stock plan is conditional upon the achievement of *Economic-Financial Performance* and *ESG (Environmental, Social, Governance) Performance* targets for the Group during or at the end of the three-year period 2018-2020 and the beneficiary being still employed by the Group at the date of presentation of the 2023 Consolidated Financial Statements.

Share buy-back programme

Between 20 April 2021 and 12 May 2021, as per the authorisation of the Shareholders' Meeting of 7 April 2021, Esprinet S.p.A. purchased 1,464,369 of its own ordinary shares, corresponding to 2.88% of the share capital, at an average unit price of Euro 13.56 per share.
The shares acquired will partly go towards fulfilling the obligations stemming from the "2021-2023 Long-Term Incentive Plan" and partly aimed at reducing the number of shares outstanding.

Due to these purchases, as at 14 May 2021, Esprinet S.p.A. held 1,528,024 own shares, equal to 3.00% of share capital.

Vimercate, 14 May 2021

For and on behalf of the Board of Directors
The Chairman
Maurizio Rota

13. Declaration of the manager responsible for preparing the accounting documents

Declaration under article 154-bis, par. 2 of the Financial Consolidation Act.

OBJECT: Interim management statement as at 31 March 2021

The undersigned Pietro Aglianò, the manager responsible for preparing the accounting documents of

ESPRINET S.p.A.

in accordance with the provisions set forth in article 154 bis, of the "Finance Consolidation Act"

HEREBY DECLARES

that the Interim management statement as at 31 March 2021 corresponds to the accounting documents, books and records.

Vimercate, 14 May 2021

The Manager responsible for preparing
the company accounting documents

(Pietro Aglianò)