Esprinet Group

Interim management statement as at 30 September 2021

Approved by the Board of Directors on 11 November 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 30/09/2021: 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) (RAC) (CRC)
Director	Lorenza Morandini	(InD) (CSC)
Director	Emanuela Prandelli	(InD) (RAC)
Director	Renata Maria Ricotti	(InD) (RAC) (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
CCS: 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:

(Term of office expiring with approval of the financial statements for the year ending 31 December 2027)

PricewaterhouseCoopers S.p.A.

Waiver of obligation to provide information on extraordinary transactions

Pursuant to Article 70, paragraph 8, and Article 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)	9 months*							Q3					
	notes	2021	%	2020	notes	%	*% var. 21/20*	2021	%	2020	notes	%	*% var. 21/20*
Profit & Loss													
Sales from contracts with customers		3,210,806	100.0%	2,959,102		100.0%	9%	973,983	100.0%	1,124,426		100.0%	-13%
Gross profit		165,034	5.1%	128,123		4.3%	29%	48,243	5.0%	45,714		4.1%	6%
EBITDA	(1)	57,051	1.8%	39,343	(1)	1.3%	45%	15,335	1.6%	16,509		1.5%	-7%
Operating income (EBIT)		44,933	1.4%	27,582		0.9%	63%	10,874	1.1%	12,970		1.2%	-16%
Profit before income tax		39,263	1.2%	23,262		0.8%	69%	8,949	0.9%	12,523		1.1%	-29%
Net income		28,591	0.9%	17,483		0.6%	64%	6,541	0.7%	9,800		0.9%	-33%
Financial data													
Cash flow	(2)	40,708		29,244	(2)								
Gross investments		5,070		3,499									
Net working capital	(3)	347,252		(130,921)	(3)								
Operating net working capital	(4)	344,301		(121,034)	(4)								
Fixed assets	(5)	249,549		236,965	(5)								
Net capital employed	(6)	572,541		86,186	(6)								
Net equity		371,717		388,963									
Tangible net equity	(7)	260,915		279,799	(7)								
Net financial debt	(8)	200,822		(302,777)	(8)								
Main indicators													
Net financial debt / Net equity		0.5		(0.8)									
Net financial debt / Tangible net equity		0.8		(1.1)									
EBIT / Finance costs - net		7.9		6.4									
EBITDA / Finance costs - net		10.1		9.1									
Net financial debt/ EBITDA	(9)	2.5		(4.7)	(9)								
ROCE	(10)	17.6%		15.7%	(10)								
Operational data													
N. of employees at end-period		1,663		1,418									
Avarage number of employees	(11)	1,631		1,368	(11)								
Earnings per share (euro)													
- Basic		0.58		0.35			66%	0.13		0.19			-32%
- Diluted		0.57		0.34			68%	0.13		0.18			-28%

(*) 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 profit 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 IFRS, 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 since they are considered particularly significant.
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 since 27 July 2001.

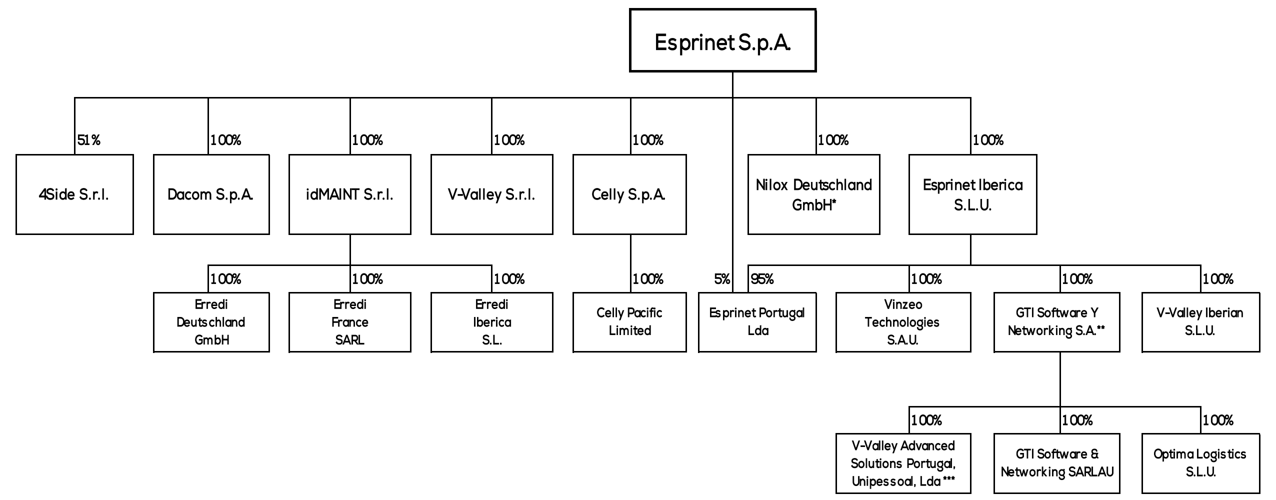
Due to this admission, the interim management statement as at 30 September 2021, not audited, has been drawn up as per Article 2.2.3, paragraph 3 a) 'Regulation of the markets organised and managed by Borsa Italiana S.p.A.' (so-called "Stock Market Regulation") as provided for by Art. 154-ter, paragraph 5, of 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 financial report of companies listed in Italy') the financial data in this interim management statement are comparable with the data shown in previous reports and are in line with the financial statements published in the annual financial 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 30 September 2021 is as follows:



* Discontinued on 30 September 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 "Italian Subgroup" and the "Iberian Subgroup".
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 since 16 September 2019), 4Side S.r.l., Dacom S.p.A. and idMAINT S.r.l. (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 Iberica 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).
Esprinet S.p.A. uses the services provided by Intesa Sanpaolo S.p.A. for specialist activities.

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 accounts of subsidiaries were suitably adjusted to ensure consistency with the accounting standards used by the parent company and all relate
to the interim periods that have the same closing date as the parent company.

The table below lists companies included in the scope of consolidation as at 30 September 2021, all consolidated on a line-by-line basis.

[1] With the exception of Celly Pacific LTD, Erredi Deutschland GmbH, Erredi France SARL, Erredi Iberica S.L. as they do not possess said 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.
(**) 100% based on 9.58% of own shares held by GTI Software y Networking S.A

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 30 September 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 Iberian Subgroup, on 31 March 2021, the company Diode España S.A.U. was merged by incorporation into GTI Software Y Networking S.A., with accounting and tax effects backdated to 1 January 2021.

2.4 Principal assumptions, estimates and rounding

Within the scope of preparing this interim management statement, 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, in the future, these estimates and assumptions, which are based on the best assessment by the management, should differ from actual circumstances, they will be amended accordingly 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, while in the annual consolidated financial statements, the current taxes have been calculated accurately based on the tax rates in force at the reporting date. 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 sales 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**	**9 months 2021**	non - recurring	related parties*	**9 months 2020**	non - recurring	related parties*
Sales from contracts with customers	**33**	**3,210,806**	**-**	16	**2,959,102**	**-**	10
Cost of sales		(3,045,772)	-	(6)	(2,830,979)	-	-
Gross profit	**35**	**165,034**	**-**		**128,123**	**-**	
Sales and marketing costs	**37**	(49,540)	-	-	(36,360)	-	-
Overheads and administrative costs	**38**	(70,953)	(827)	2	(63,052)	(3,366)	-
Impairment loss/reversal of financial assets	**39**	392	-		(1,129)	-	
Operating income (EBIT)		**44,933**	**(827)**		**27,582**	**(3,366)**	
Finance costs - net	**42**	(5,670)	-	-	(4,320)	-	-
Profit before income taxes		**39,263**	**(827)**		**23,262**	**(3,366)**	
Income tax expenses	**45**	(10,672)	231	-	(5,779)	632	-
Net income		**28,591**	**(596)**		**17,483**	**(2,734)**	
- of which attributable to non-controlling interests		(132)			22		
- of which attributable to Group		28,723	(596)		17,461	(2,734)	
Earnings per share - basic (euro)	**46**	0.58			0.35		
Earnings per share - diluted (euro)	**46**	0.57			0.34		

(euro/000)	Notes	Q3 2021	non - recurring	related parties*	Q3 2020	non - recurring	related parties*
Sales from contracts with customers	**33**	**973,983**	**-**	6	**1,124,426**	**-**	2
Cost of sales		(925,740)	-	-	(1,078,712)	-	-
Gross profit	**35**	**48,243**	**-**		**45,714**	**-**	
Sales and marketing costs	**37**	(14,571)	-	-	(11,472)	-	-
Overheads and administrative costs	**38**	(23,049)	(827)	1	(20,987)	(1,150)	-
Impairment loss/reversal of financial assets	**39**	251	-		(285)	-	
Operating income (EBIT)		**10,874**	**(827)**		**12,970**	**(1,150)**	
Finance costs - net	**42**	(1,925)	-	-	(447)	-	-
Profit before income taxes		**8,949**	**(827)**		**12,523**	**(1,150)**	
Income tax expenses	**45**	(2,408)	231	-	(2,723)	320	-
Net income		**6,541**	**(596)**		**9,800**	**(830)**	
- of which attributable to non-controlling interests		(54)	-		152	-	
- of which attributable to Group		6,595	(596)		9,648	(830)	
Earnings per share - basic (euro)	**46**	0.13			0.18		
Earnings per share - diluted (euro)	**46**	0.13			0.17		

(*) Emoluments to key managers are excluded.

3.2 Consolidated statement of comprehensive income

(euro/000)	9 months 2021	9 months 2020	Q3 2021	Q3 2020
Net income	**28,591**	**17,483**	**6,541**	**9,800**
Other comprehensive income:				
- Changes in translation adjustment reserve	22	(4)	23	(3)
Other comprehensive income not to be reclassified in the separate income statement				
- Changes in 'TFR' equity reserve	165	(62)	189	(38)
- Taxes on changes in 'TFR' equity reserve	(40)	15	(46)	9
Other comprehensive income	**147**	**(51)**	**166**	**(32)**
Total comprehensive income	**28,738**	**17,432**	**6,707**	**9,768**
- of which attributable to Group	28,856	17,413	6,690	9,614
- of which attributable to non-controlling interests	(118)	19	17	154

3.3 Notes on financial performance of the Group

A) Esprinet Group's financial highlights

The Group's main earnings as at 30 September 2021 are hereby summarised:

(€/000)	9 months 2021	9 months 2020	% Var.	Q3 2021	Q3 2020	% Var.
Sales from contracts with customers	**3,210,806**	**2,959,102**	**9%**	**973,983**	**1,124,426**	**-13%**
Cost of goods sold excl. factoring/securitisation	3,042,430	2,827,593	8%	924,646	1,077,412	-14%
Financial cost of factoring/securisation(1)	2,564	2,773	-8%	814	1,081	-25%
Gross Profit(2)	**165,812**	**128,736**	**29%**	**48,523**	**45,933**	**6%**
Gross Profit %	*5.16%*	*4.35%*		*4.98%*	*4.09%*	
Personnel costs	61,156	48,483	26%	18,564	15,522	20%
Other operating costs	46,778	38,643	21%	13,798	12,752	8%
EBITDA adjusted(3)	**57,878**	**41,610**	**39%**	**16,161**	**17,659**	**-8%**
EBITDA adjusted %	*1.80%*	*1.41%*		*1.66%*	*1.57%*	
Depreciation e amortisation	3,952	3,247	22%	1,669	1,063	57%
IFRS 16 Right of Use depreciation	8,166	7,415	10%	2,791	2,476	13%
Goodwill impairment	-	-	n/s	-	-	n/s
EBIT adjusted(3)	**45,760**	**30,948**	**48%**	**11,701**	**14,120**	**-17%**
EBIT adjusted %	*1.43%*	*1.05%*		*1.20%*	*1.26%*	
Non recurring costs(4)	827	3,366	-75%	827	1,150	-28%
EBIT	**44,933**	**27,582**	**63%**	**10,874**	**12,970**	**-16%**
EBIT %	*1.40%*	*0.93%*		*1.12%*	*1.15%*	
IFRS 16 interest expenses on leases	2,378	2,509	-5%	797	827	-4%
Other financial (income) expenses	1,938	1,712	13%	644	362	78%
Foreign exchange (gains) losses	1,354	99	>100%	484	(742)	<100%
Cost (income) from investments	-	-	n/s	-	-	n/s
Profit before income taxes	**39,263**	**23,262**	**69%**	**8,949**	**12,523**	**-29%**
Income taxes	10,672	5,779	85%	2,408	2,723	-12%
Net income	**28,591**	**17,483**	**64%**	**6,541**	**9,800**	**-33%**

(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 function, would be included in the cost of sales.
(3) Adjusted given gross of non-recurring items.
(4) Otherwise included in "Other operating costs" and, with reference to the first nine months of 2020, of which Euro 2.3 million otherwise included in "Other operating costs" and Euro 1.1 million otherwise included the item "Impairment of Goodwill".

Sales from contracts with customers, equal to Euro 3,210.8 million, showed an increase of +9% compared with Euro 2,959.1 million euro realised in the first nine months of 2020. Contributions to this result were provided by both organic growth (+4%) and the Euro 129.8 million contribution from the GTI Group acquired in Spain in the Q4 20, from Dacom S.p.A. and the idMAINT Group, acquired in Italy in January 2021. The figures for the third quarter alone show a decrease of -13% compared to the same period of the previous year (-17% excluding the contribution of the above-mentioned acquisitions from the 2021 figures).

Gross Profit, amounting to Euro 165.8 million, recorded an increase of +29% compared to the first nine months of 2020 (Euro 128.7 million) due to both higher sales relating to both the improvement in the percentage margin, up by 4.35% to 5.16%, also thanks to the greater incidence of high margin business lines and the constant commitment to ensuring better customer satisfaction, which translated to an increase in the percentage margin of almost all business lines. Deducting the positive contribution of Euro 17.5 million from acquisitions which occurred after the first nine months 2020 from the 2021 result, the change in gross profit is estimated to be around +15%, with an improved percentage margin from 4.35% to 4.81%. In the third quarter alone, the gross profit, amounting to Euro 48.5 million, shows an improvement of +6% compared to the corresponding period of the previous year (-7% without considering the contribution of the aforementioned acquisitions), with an improved percentage margin from 4.09% to 4.98%.

EBITDA Adjusted amounting to Euro 57.9 million, up by +39% compared to Euro 41.6 million in the first nine months of 2020, was calculated gross of non-recurring costs, incurred to build the new logistics hub in Italy, amounting to Euro 0.8 million. The incidence on sales rose to 1.80% from 1.41% in the first nine months of 2020. Even excluding from the 2021 result the contribution of Euro 5.3 million of the companies acquired after the first nine months of 2020, the EBITDA Adjusted is estimated to have been Euro 52.6 million (+ 26% compared to the corresponding period of the year).

In the third quarter alone, a decrease of -8% was recorded compared with the corresponding period of the previous year (-18% without considering the contribution of the aforementioned acquisitions).

EBIT Adjusted, gross of the aforementioned non-recurring expenses, amounted to Euro 45.8 million, up + 48% compared to the corresponding period of 2020 (+32% excluding the positive contribution of Euro 4.9 million from the 2021 result, referring to the companies acquired after the first nine months of 2020). The incidence on sales rose to 1.43% from 1.05% in the previous period. In the third quarter alone, a decrease of -17% was recorded compared with the corresponding period of the previous year (-28% without considering the contribution of the aforementioned acquisitions).

EBIT, equal to Euro 44.9 million, recorded an increase of + 63% compared to the corresponding period of 2020, despite a decrease of -16% recorded in the third quarter compared to the same period of the previous year.

Profit before income taxes, amounting to Euro 39.3 million, recorded an increase (+69%) compared to Euro 23.3 million in 9M 2020. The third quarter alone recorded a decrease of -29%.

Net income amounted to Euro 28.6 million, +64% (Euro 17.5 million in the first nine months 2020). In the third quarter, a decrease of -33% was recorded compared with the corresponding quarter of the previous year.

Basic earnings per ordinary share as at 30 September 2021, equal to Euro 0.58, showed an increase of +66% compared with the value of the first nine months of 2020 (Euro 0.35). In the third quarter, basic earnings per ordinary share was 0.13 euro compared with 0.18 euro of the corresponding quarter in 2020.

The Group’s main financial results as at 30 September 2021 are hereby summarised:

(euro/000)	30/09/2021	31/12/2020
Fixed assets	249,549	236,965
Operating net working capital	344,301	(121,034)
Other current assets/liabilities	2,951	(9,887)
Other non-current assets/liabilities	(24,262)	(19,858)
Total uses	**572,539**	**86,186**
Short-term financial liabilities	116,763	56,049
Lease liabilities	9,709	8,867
Current financial (assets)/liabilities for derivatives	(8)	(27)
Financial receivables from factoring companies	(1,670)	(147)
Current debts for investments in subsidiaries	1,959	220
Other current financial receivables	(9,858)	(9,617)
Cash and cash equivalents	(117,736)	(558,928)
Net current financial debt	(841)	(503,583)
Borrowings	96,245	107,069
Lease liabilities	103,688	93,999
Non - current debts for investments in subsidiaries	1,730	230
Other non - current financial receivables	-	(492)
Net financial debt (A)	200,822	(302,777)
Net equity (B)	371,717	388,963
Total sources of funds (C=A+B)	**572,539**	**86,186**

The distribution of technology is characterised by a high degree of seasonality and consequently the invested capital, in support of the business, is also subject to relevant fluctuations. In particular, the net working capital showed significant variability between 31 December and the following 30 September, also due to the effect of the channel support plans by the main suppliers in the peak season periods.

Net invested capital as at 30 September 2021 amounted to Euro 572.5 million and was covered by:

- shareholders' equity, including minority interests, amounting to Euro 371.7 million (Euro 389.0 million as at 31 December 2020);
- negative net financial position of Euro 200.8 million (compared to a positive net financial position of Euro 302.8 million as at 31 December 2020 and negative for Euro 14.5 million as at 30 September 2020).

The value of the exact net financial position as at 30 September 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 period. The aforementioned factoring and securitisation plans, which define the complete transfer of risks and benefits to the buyers and therefore incorporate the derecognition of receivables from the statement of financial position assets in compliance with IFRS 9, determine an overall effect on the level of consolidated net financial debts as at 30 September, quantifiable at Euro 347.2 million (Euro 536.6 million as at 31 December 2020 and Euro 369.6 million as at 30 September 2020).
In addition to the above-mentioned ordinary business trends, with respect to the comparison periods of the previous year, the transactions for the purchase of treasury shares and the distribution of the dividend to shareholders (not distributed in 2020) occurred in the first nine months of 2021 must be

added, payments of the prices of acquisition transactions (GTI Group in 2020, Dacom SpA and idMAINT Group in 2021), the tail as at 30 September 2020 of the temporary favourable mismatch between payment times to suppliers and collections from customers following the Covid-19 pandemic.

Equity and financial indicators confirm the strength of the Group.

B) Financial highlights by geographical area

B.1) Subgroup Italy

The Italy Sub-Group's main earnings as at 30 September 2021 are hereby summarised:

(€/000)	9 months 2021	9 months 2020	% Var.	Q3 2021	Q3 2020	% Var.
Sales from contracts with customers	**2,039,786**	**1,880,398**	**8%**	**602,191**	**673,509**	**-11%**
Cost of goods sold excl. factoring/securitisation	1,928,175	1,788,196	8%	570,750	642,169	-11%
Financial cost of factoring/securisation(1)	1,536	1,560	-2%	454	530	-14%
Gross Profit(2)	**110,075**	**90,642**	**21%**	**30,987**	**30,810**	**1%**
Gross Profit %	*5.40%*	*4.82%*		*5.15%*	*4.57%*	
Personnel costs	38,784	34,433	13%	11,356	11,077	3%
Other operating costs	36,384	31,325	16%	10,303	10,245	1%
EBITDA adjusted(3)	**34,907**	**24,884**	**40%**	**9,328**	**9,488**	**-2%**
EBITDA adjusted %	*1.71%*	*1.32%*		*1.55%*	*1.41%*	
Depreciation e amortisation	2,574	2,380	8%	883	793	11%
IFRS 16 Right of Use depreciation	5,993	5,705	5%	2,057	1,900	8%
Goodwill impairment	-	-	n/s	-	-	n/s
EBIT adjusted(3)	**26,340**	**16,799**	**57%**	**6,388**	**6,795**	**-6%**
EBIT adjusted %	*1.29%*	*0.89%*		*1.06%*	*1.01%*	
Non recurring costs(4)	827	3,366	-75%	827	1,150	-28%
EBIT	**25,513**	**13,433**	**90%**	**5,561**	**5,645**	**-1%**
EBIT %	*1.25%*	*0.71%*		*0.92%*	*0.84%*	

(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 function, would be included in the cost of sales.
(3) Adjusted given gross of non-recurring items.
(4) Otherwise included in "Other operating costs" and, with reference to the first nine months of 2020, of which Euro 2.3 million otherwise included in "Other operating costs" and Euro 1.1 million otherwise included the item "Impairment of Goodwill".

Sales from contracts with customers, equal to Euro 2,039.8 million, showed an increase of +8% compared with Euro 1,880.4 million realised in the first nine months of 2020. Contributions to this result were provided by both organic growth (+5%) and the Euro 65.4 million contribution from Dacom S.p.A. and the idMAINT Group, acquired in January 2021. In the third quarter alone, a decrease of -11% was recorded (-14% without considering the contribution of the aforementioned acquisitions) compared with the corresponding period of the previous year.

Gross profit, amounted to Euro 110.1 million, marking an increase of +21% compared to Euro 90.6 million recorded in the first nine months of 2020, due to both higher sales and the improvement in the percentage margin, which went from 4.82% to 5.40%, thanks also to the greater incidence of high margin business lines. Deducting the positive contribution of Euro 7.7 million from acquisitions which occurred in Q1 2021 from the 2021 result, the change in gross profit is estimated to be around +13%, with an improved percentage margin from 4.82% to 5.17%. In the third quarter alone, the gross profit, amounting to Euro 30.9 million, shows an improvement of +1% compared to the corresponding period of the previous year (-8% without considering the contribution of the aforementioned acquisitions), with an improved percentage margin from 4.57% to 5.15%.

EBITDA Adjusted, equal to Euro 34.9 million, + 40% compared to Euro 24.9 million in the first nine months of 2020, is calculated gross of non-recurring costs of Euro 0.8 million incurred by the parent company for the construction of a new logistics hub located in Cavenago. Also excluding from the 2021 result the contribution of Euro 3.7 million of the companies acquired in the first quarter of 2021, the EBTIDA Adjusted would have been estimated at Euro 31.2 million (+ 25% compared to the corresponding period of the previous year). In the third quarter alone, a decrease of -2% was recorded (-18% without considering the contribution of the aforementioned acquisitions) compared with the corresponding period of the previous year.

EBIT Adjusted, before the aforementioned non-recurring expenses, amounted to Euro 26.3 million, up + 57% compared to the corresponding period of 2020 (+ 36% net of the positive contribution of Euro 3.5 million), relating to the companies acquired after the first nine months of 2020). The incidence on sales rose to 1.29% from 0.89% in the previous period. In the third quarter alone, a decrease of -6% was recorded (-28% without considering the contribution of the aforementioned acquisitions) compared with the corresponding period of the previous year.

EBIT, equal to Euro 25.5 million, recorded an increase of + 90% compared to the corresponding period of 2020, while the third quarter alone recorded a decrease of -1% compared to the same period of the previous year (+ 64% and -28% respectively without considering the contribution of the above-mentioned acquisitions).

The Italy Sub-Group's main financial results as at 30 September 2021 are hereby summarised:

(euro/000)	30/09/2021	31/12/2020
Fixed assets	202,021	193,600
Operating net working capital	179,426	(63,302)
Other current assets/liabilities	12,143	7,022
Other non-current assets/liabilities	(10,935)	(10,136)
Total uses	**382,655**	**127,184**
Short-term financial liabilities	88,647	32,596
Lease liabilities	7,073	6,581
Current debts for investments in subsidiaries	1,959	220
Financial receivables from factoring companies	(1,670)	(147)
Financial (assets)/liab. from/to Group companies	(30,000)	-
Other current financial receivables	(9,858)	(9,617)
Cash and cash equivalents	(73,539)	(331,980)
Net current financial debt	(17,388)	(302,347)
Borrowings	31,614	39,715
Lease liabilities	83,935	76,851
Non - current debts for investments in subsidiaries	1,730	230
Other non - current financial receivables	-	(492)
Net Financial debt (A)	99,891	(186,043)
Net equity (B)	282,764	313,227
Total sources of funds (C=A+B)	**382,655**	**127,184**

The net financial position was a negative Euro 99.9 million, worsening compared to the liquidity surplus of Euro 186.0 million as at 31 December 2020, and compared to net debt of Euro 28.4 million as at 30 September 2020.

The value of the exact net financial position as at 30 September 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 period. 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 30 September of Euro 216.5 million (Euro 288.2 million as at 31 December 2020 and Euro 170.0 million as at 30 September 2020).
In addition to the above-mentioned ordinary business dynamics, with respect to the comparison periods of the previous year, the payment of the price of the acquisitions of Dacom SpA and of the idMAINT Group, the purchase of treasury shares and the distribution of the dividend to shareholders must be added (not distributed in 2020), which occurred in the first nine months of 2021, as well as the end, as at 30 September 2020, of the temporary favourable mismatch between payment times to suppliers and collections from customers as a result of the Covid-19 pandemic.

B.2) Subgroup Iberica

The Iberica Sub-Group's main earnings as at 30 September 2021 are hereby summarised:

(€/000)	9 months 2021	9 months 2020	% Var.	Q3 2021	Q3 2020	% Var.
Sales from contracts with customers	**1,198,008**	**1,102,339**	**9%**	**381,683**	**459,765**	**-17%**
Cost of goods sold excl. factoring/securitisation	1,141,266	1,063,063	7%	363,792	444,027	-18%
Financial cost of factoring/securisation[(1)]	1,028	1,213	-15%	360	552	-35%
Gross Profit[(2)]	**55,714**	**38,063**	**46%**	**17,531**	**15,186**	**15%**
Gross Profit %	*4.65%*	*3.45%*		*4.59%*	*3.30%*	
Personnel costs	22,372	14,050	59%	7,207	4,445	62%
Other operating costs	10,637	7,583	40%	3,574	2,593	38%
EBITDA adjusted[(3)]	**22,705**	**16,430**	**38%**	**6,750**	**8,148**	**-17%**
EBITDA adjusted %	*1.90%*	*1.49%*		*1.77%*	*1.77%*	
Depreciation e amortisation	1,159	615	88%	718	188	>100%
IFRS 16 Right of Use depreciation	2,173	1,710	27%	734	576	27%
Goodwill impairment	-	-	n/s	-	-	n/s
EBIT adjusted[(3)]	**19,373**	**14,105**	**37%**	**5,298**	**7,384**	**-28%**
EBIT adjusted %	*1.62%*	*1.28%*		*1.39%*	*1.61%*	
Non recurring costs	-	-	n/s	-	-	n/s
EBIT	**19,373**	**14,105**	**37%**	**5,298**	**7,384**	**-28%**
EBIT %	*1.62%*	*1.28%*		*1.39%*	*1.61%*	

(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 function, would be included in the cost of sales.
(3) Adjusted given gross of non-recurring items.

Sales from contracts with customers totalled Euro 1,198.0 million, +9% compared to Euro 1,102.3 million in the first nine months of 2020 (+3% excluding the sales realised by the GTI Group acquired in Q4 2020). In the third quarter alone, sales recorded a decrease of -17% (-21% excluding the contribution of the aforementioned acquisition) compared with the same period of the previous year.

Gross profit as at 30 September 2021 totalled Euro 55.7 million, showing an improvement of +46% compared with Euro 38.0 million of the same period of 2020, with significant growth in the incidence on sales, up from 3.45% to 4.65%. Deducting the positive contribution of Euro 9.7 million by the GTI Group from the 2021 result, the change in gross profit is estimated to be +21%. In the third quarter alone, gross profit showed growth of +15% compared to the corresponding quarter of the previous year, with an incidence on sales up from 3.30% to 4.59% (-5% without considering the contribution of the aforementioned acquisition).

EBITDA Adjusted, which coincides with EBITDA given that no non-recurring costs were recorded in the two periods being compared, amounted to Euro 22.7 million, marking an increase of +38% compared to Euro 16.4 million in the first nine months of 2020, driven by an improvement in gross profit. Excluding the positive contribution of Euro 1.6 million of the acquisition of the GTI Group from the 2021 result, EBITDA would have been Euro 21.1 million (+29%). The impact on sales rose from 1.49% to 1.90% in the corresponding period of 2020. In the third quarter alone, a decrease of -17% was recorded (-19% without considering the contribution of the aforementioned acquisition) compared with the corresponding quarter of the previous year.

EBIT Adjusted and EBIT, the same as non-recurring costs were not recognised, stood at Euro 19.4 million, marking an increase of +37% (+28% net of the aforementioned acquisition) compared to the first nine months of 2020. In the third quarter alone, a result of Euro 5.3 million was recorded, with a decrease of -28% (-29% without considering the contribution of the above-mentioned acquisition) compared to the same quarter of the previous year.

The Spain Sub-Group's main financial results as at 30 September 2021 are hereby summarised:

(euro/000)	30/09/2021	31/12/2020
Fixed assets	122,112	118,106
Operating net working capital	165,088	(57,470)
Other current assets/liabilities	(9,192)	(16,909)
Other non-current assets/liabilities	(13,327)	(9,722)
Total uses	**264,681**	**34,005**
Short-term financial liabilities	28,116	23,453
Lease liabilities	2,636	2,286
Current financial (assets)/liabilities for derivatives	(8)	(27)
Financial (assets)/liab. from/to Group companies	30,000	-
Cash and cash equivalents	(44,197)	(226,948)
Net current financial debt	16,547	(201,236)
Borrowings	64,631	67,354
Lease liabilities	19,753	17,148
Net Financial debt (A)	100,931	(116,734)
Net equity (B)	163,750	150,739
Total sources of funds (C=A+B)	**264,681**	**34,005**

The net financial position was a positive Euro 100.9 million, a reduction compared to the liquidity surplus of Euro 116.7 million as at 31 December 2020, and with respect to the net debt of Euro 13.9 million as at 30 September 2020.

The value of the exact net financial position as at 30 September 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 period. 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 30 September of Euro 130.6 million (Euro 248.4 million as at 31 December 2020 and Euro 199.6 million as at 30 September 2020).

C) Esprinet Group's financial highlights Pre-IFRS 16

The Group's main earnings are shown below using the adjusted figures following the application of IFRS 16:

(€/000)	9 months 2021	9 months 2020	% Var.	Q3 2021	Q3 2020	% Var.
	Pre-IFRS16	Pre-IFRS16		Pre-IFRS16	Pre-IFRS16	
Sales from contracts with customers	**3,210,806**	**2,959,102**	**9%**	**973,983**	**1,124,426**	**-13%**
Cost of goods sold excl. factoring/securitisation	3,042,430	2,827,593	8%	924,646	1,077,412	-14%
Financial cost of factoring/securisation[(1)]	2,564	2,773	-8%	814	1,081	-25%
Gross Profit[(2)]	**165,812**	**128,736**	**29%**	**48,523**	**45,933**	**6%**
Gross Profit %	*5.16%*	*4.35%*		*4.98%*	*4.09%*	
Personnel costs	61,156	48,483	26%	18,564	15,522	20%
Other operating costs	55,783	47,535	17%	16,831	15,699	7%
EBITDA adjusted[(3)]	**48,873**	**32,718**	**49%**	**13,128**	**14,712**	**-11%**
EBITDA adjusted %	*1.52%*	*1.11%*		*1.35%*	*1.31%*	
Depreciation e amortisation	3,952	3,247	22%	1,669	1,063	57%
IFRS 16 Right of Use depreciation	-	-	n/s	-	-	n/s
Goodwill impairment	-	-	n/s	-	-	n/s
EBIT adjusted[(3)]	**44,921**	**29,471**	**52%**	**11,459**	**13,649**	**-16%**
EBIT adjusted %	*1.40%*	*1.00%*		*1.18%*	*1.21%*	
Non recurring costs[(4)]	827	3,366	-75%	827	1,150	-28%
EBIT	**44,094**	**26,105**	**69%**	**10,632**	**12,499**	**-15%**
EBIT %	*1.37%*	*0.88%*		*1.09%*	*1.11%*	
IFRS 16 interest expenses on leases	-	-	n/s	-	-	n/s
Other financial (income) expenses	1,938	1,712	13%	644	362	78%
Foreign exchange (gains) losses	1,354	99	>100%	484	(742)	<100%
Profit before income taxes	**40,802**	**24,294**	**68%**	**9,504**	**12,879**	**-26%**
Income taxes	11,010	5,981	84%	2,532	2,793	-9%
Net income	**29,792**	**18,313**	**63%**	**6,972**	**10,086**	**-31%**

(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 function, would be included in the cost of sales.
(3) Adjusted given gross of non-recurring items.
(4) Otherwise included in "Other operating costs" and, with reference to the first nine months of 2020, of which Euro 2.3 million otherwise included in "Other operating costs" and Euro 1.1 million otherwise included the item "Impairment of Goodwill".

The Group's main financial results are shown below using the adjusted figures following the application of IFRS 16:

(euro/000)	30/09/2021	31/12/2020
Fixed assets	140,055	136,746
Operating net working capital	344,301	(121,094)
Other current assets/liabilities	2,635	(10,087)
Other non-current assets/liabilities	(24,262)	(19,858)
Total uses	**462,729**	**(14,293)**
Short-term financial liabilities	116,763	56,049
Lease liabilities	-	-
Current financial (assets)/liabilities for derivatives	(8)	(27)
Financial receivables from factoring companies	(1,670)	(147)
Current debts for investments in subsidiaries	1,959	220
Other financial receivables	(9,858)	(9,617)
Cash and cash equivalents	(117,736)	(558,928)
Net current financial debt	(10,550)	(512,450)
Borrowings	96,245	107,069
Lease liabilities	-	-
Non-current debts for investments in subsidiaries	1,730	230
Other financial receivables	-	(492)
Net Financial debt (A)	87,425	(405,643)
Net equity (B)	375,304	391,350
Total sources of funds (C=A+B)	**462,729**	**(14,293)**

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 sales performance during the period.

Sales by geographic area

(euro/million)	9 months 2021	%	9 months 2020	%	% Var.	Q3 2021	%	Q3 2020	%	Var.	% Var.
Italy	1,983.2	61.8%	1,845.3	62.4%	7%	583.2	59.9%	661.1	58.8%	(77.9)	-12%
Spain	1,125.5	35.1%	1,055.1	35.7%	7%	350.1	35.9%	441.5	39.3%	(91.4)	-21%
Portugal	70.4	2.2%	39.2	1.3%	80%	30.0	3.1%	16.2	1.4%	13.8	85%
Other EU countries	20.7	0.6%	12.1	0.4%	71%	6.0	0.6%	3.3	0.3%	2.7	82%
Extra EU countries	11.0	0.3%	7.4	0.3%	49%	4.7	0.5%	2.3	0.2%	2.4	104%
Sales from contracts with clients	**3,210.8**	**100.0%**	**2,959.1**	**100.0%**	**9%**	**974.0**	**100.0%**	**1,124.4**	**100.0%**	**(150.4)**	**-13%**

Sales by geographic area in the first nine months of 2021 showed an upward trend in all the territories in which the Group operates, with an excellent result in Portugal (+ 80%), thereby rewarding the investments made for the construction of the warehouse on site.
The increase, also influenced by the contribution from the acquisitions of the GTI Group in Spain, a leader in the Cloud segment, and the companies Dacom and idMAINT, leaders in the distribution and support services segment and in the Automatic Identification and Data Capture segment in Italy, is in line with the market (Italy +8%, Spain +10%, Portugal +12%).
In the third quarter alone, decreases were recorded in the two main countries of operations.

Sales by products and services

(euro/million)	9 months 2021	%	9 months 2020	%	% Var.	Q3 2021	%	Q3 2020	%	% Var.
Product sales	2,003.1	62.4%	1,852.2	62.6%	8%	589.4	60.5%	663.1	59.0%	-11%
Services sales	9.7	0.3%	4.6	0.2%	*111%*	2.9	0.3%	1.6	0.1%	*81%*
Sales - Subgroup Italy	**2,012.8**	**62.7%**	**1,856.8**	**62.7%**	***8%***	**592.3**	**60.8%**	**664.7**	**59.1%**	***-11%***
Product sales	1,196.6	37.3%	1,101.5	37.2%	*9%*	380.9	39.1%	459.3	40.8%	*-17%*
Services sales	1.4	0.0%	0.8	0.0%	*75%*	0.8	0.1%	0.4	0.0%	*100%*
Sales - Subgroup Spain	**1,198.0**	**37.3%**	**1,102.3**	**37.3%**	***9%***	**381.7**	**39.2%**	**459.7**	**40.9%**	***-17%***
Sales from contracts with customers	**3,210.8**	**100.0%**	**2,959.1**	**100.0%**	***9%***	**974.0**	**100.0%**	**1,124.4**	**100.0%**	***-13%***

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)	9 months 2021	%	9 months 2020	%	% Var.	Q3 2021	%	Q3 2020	%	% Var.
Sales from contracts with customers as 'principal'	3,201.3	*99.7%*	2,955.7	*99.9%*	*8%*	970.8	*99.7%*	1,123.4	*99.9%*	*-14%*
Sales from contracts with customers as 'agent'	9.5	*0.3%*	3.4	*0.1%*	*179%*	3.2	*0.3%*	1.0	*0.1%*	*220%*
Sales from contracts with customers	**3,210.8**	**100.0%**	**2,959.1**	**100.0%**	***9%***	**974.0**	**100.0%**	**1,124.4**	**100.0%**	***-13%***

Sales by product family and customer type

(euro/million)	9 months 2021	%	9 months 2020	%	Var.	% Var.	Q3 2021	%	Q3 2020	%	Var.	% Var.
Retailers & E-Tailers	1,413.0	44.0%	1,459.8	49.3%	(46.8)	*-3%*	467.7	48.0%	625.2	55.6%	(157.5)	*-25%*
IT Resellers	1,930.9	60.1%	1,561.6	52.8%	369.3	*24%*	555.7	57.1%	531.4	47.3%	24.3	*5%*
IFRS15 and other adjustments *	(133.1)	-4.1%	(62.3)	-2.1%	(70.8)	*114%*	(49.4)	-5.1%	(32.2)	-2.9%	(17.2)	*53%*
Sales from contracts with customers	**3,210.8**	**100.0%**	**2,959.1**	**100.0%**	**251.7**	***9%***	**974.0**	**100.0%**	**1,124.4**	**100.0%**	**(150.4)**	***-13%***

(*) Accounting adjustments for representation of principal vs agent, revenue recognition, future adjustments etc.

In the nine months of 2021, the market recorded growth of +7% in the Business Segment (IT Reseller) and +13% in the Consumer Segment (Retailer, E-tailer).
The Group's sales showed a higher growth than the market in the *Business Segment* (+ 24%), while in the *Consumer Segment* they recorded a contraction of -3%, in line with the strategy of focusing on product lines and customers with higher added value.

(euro/million)	9 months 2021	%	9 months 2020	%	Var.	% Var.	Q3 2021	%	Q3 2020	%	Var.	% Var.
PC (notebook, tablet, desktop, monitor)	1,170.7	36.5%	1,162.2	39.3%	8.5	*1%*	340.8	35.0%	457.7	40.7%	(116.9)	*-26%*
Printing devices and supplies	292.4	9.1%	291.6	9.9%	0.8	*0%*	85.8	8.8%	98.1	8.7%	(12.3)	*-13%*
Other IT products	255.6	8.0%	188.7	6.4%	66.9	*35%*	71.5	7.3%	73.3	6.5%	(1.8)	*-2%*
Total IT Clients	**1,718.7**	**53.5%**	**1,642.5**	**55.5%**	**76.2**	***5%***	**498.1**	**51.1%**	**629.1**	**55.9%**	**(131.0)**	***-21%***
Smartphones	834.4	26.0%	836.7	28.3%	(2.3)	*0%*	256.5	26.3%	349.4	31.1%	(92.9)	*-27%*
White goods	49.5	1.5%	43.6	1.5%	5.9	*14%*	16.1	1.7%	17.2	1.5%	(1.1)	*-6%*
Gaming hardware and software	25.5	0.8%	15.4	0.5%	10.1	*66%*	15.1	1.6%	6.9	0.6%	8.2	*119%*
Other consumer electronics products	114.7	3.6%	106.8	3.6%	7.9	*7%*	44.4	4.6%	37.4	3.3%	7.0	*19%*
Total Consumer Electronics	**1,024.1**	**31.9%**	**1,002.5**	**33.9%**	**21.6**	***2%***	**332.1**	**34.1%**	**410.9**	**36.5%**	**(78.8)**	***-19%***
Hardware (networking, storage, server & others)	365.6	11.4%	259.7	8.8%	105.9	*41%*	118.8	12.2%	85.4	7.6%	33.4	*39%*
Software, Services, Cloud	235.5	7.3%	116.7	3.9%	118.8	*102%*	74.4	7.6%	31.2	2.8%	43.2	*138%*
Total Advanced Solutions	**601.1**	**18.7%**	**376.4**	**12.7%**	**224.7**	***60%***	**193.2**	**19.8%**	**116.6**	**10.4%**	**76.6**	***66%***
IFRS15 and other adjustments *	(133.1)	-4.1%	(62.3)	-2.1%	(70.8)	*114%*	(49.4)	-5.1%	(32.2)	-2.9%	(17.2)	*53%*
Sales from contracts with customers	**3,210.8**	**100.0%**	**2,959.1**	**100.0%**	**251.7**	***9%***	**974.0**	**100.0%**	**1,124.4**	**100.0%**	**(150.4)**	***-13%***

(*) Accounting adjustments for representation of principal vs agent, revenue recognition, future adjustments etc.

According to Context, the IT Clients market in southern Europe as at 30 September 2021, which posted an increase of +9% compared to the same period of the previous year, still accounted for 43% of total growth, despite the slowdown recorded in the third quarter (-11%). More specifically, PCs (+9%), following the extraordinary results in the first quarter (+49%) and the slowdown in the second three months (+1%), recorded a decrease of 14% in the July-September period, due to lower demand in the retail domain and as a result of the worsening in product shortages. The Computer Components and Accessories category which, thanks to the growth in processors, RAM and graphics cards, recorded an increase of 15%.
As regards *Consumer Electronics*, which recorded growth of 14% on the whole in the first nine months of 2021, all categories posted double-digit increases: Smartphones +12%, Domestic appliances +20%, Gaming +78%, other CE products +18%, with SmartWatches standing out (+40%).
The *Advanced Solutions*, after decreasing results in the first quarter and after the turnaround with significant increases in the second quarter, recorded growth of 4% in the third quarter. Hardware products (networking, storage, servers and other) recorded an increase of +6% as at 30 September 2021; in terms of Software, Services and Cloud, the decrease in the first three months, the significant recovery in the second quarter and the increase of +8% recorded in the July-September period, brought growth from the start of the year to 4%, testament in both cases to the recovery in companies' investments in infrastructures.

With sales at Euro 3,210.8 million, up 9% compared to 9M 2020, the Group recorded a major acceleration in *Advanced Solutions* also in the third quarter, posting an increase of +60% from the start of the year, also thanks to the contribution from the acquisitions of the GTI Group in Spain, leader in the Cloud segment, and of Dacom and IdMaint, leaders in the Automatic Identification and Data Capture segment, in Italy.
Thanks to the experience brought by the GTI team in Spain, it has been possible to develop a series of innovative solutions included in Esprinet S.p.A.'s proprietary platform, designed for the sale of Cloud solutions.
As regards *IT Clients*, the Group recorded growth of 5% as at 30 September 2021, despite the decrease recorded in the third quarter by sales of PCs, especially to retail customers. Lastly, in Consumer Electronics, sales in the categories recorded the following trends with respect to the nine-month period of the previous year: Smartphones essentially unchanged, Domestic appliances +14%, Gaming +66%, other CE products +7%.

35) Gross profit

(euro/000)	9 months 2021	%	9 months 2020	%	% Var.	Q3 2021	%	Q3 2020	%	% Var.
Sales from contracts with customers	3,210,806	100.00%	2,959,102	100.00%	9%	973,983	100.0%	1,124,426	100.00%	-13%
Cost of sales	3,045,772	94.86%	2,830,979	95.67%	8%	925,740	95.0%	1,078,712	95.93%	-14%
Gross profit	**165,034**	**5.14%**	**128,123**	**4.33%**	***29%***	**48,243**	**4.95%**	**45,714**	**4.07%**	***6%***

Gross Profit, amounting to Euro 165.1 million, recorded an increase of +29% compared to the first nine months of 2020 (Euro 128.1 million) due to both higher sales relating to both the improvement in the percentage margin, up by 4.33% to 5.14%, also thanks to the greater incidence of high margin business lines and the constant commitment to ensuring better customer satisfaction, which translated to an increase in the percentage margin of almost all business lines. In the third quarter alone, gross profit, amounting to Euro 48.2 million, recorded an improvement of +6% compared to the same period of the previous year, with a percentage margin up from 4.07% to 4.95%.

As is prevalent 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.

Finally, gross profit is affected by the difference between the amount of trade receivables sold without recourse to factoring companies within the usual revolving programmes and the amounts collected. This is calculated as approximately Euro 2.6 million for the nine-month period under review (Euro 2.8 million in the same period of the previous year).

37-38-39) Operating costs

(euro/000)	9 months 2021	%	9 months 2020	%	% Var.	Q3 2021	%	Q3 2020	%	% Var.
Sales from contracts with customers	**3,210,806**		**2,959,102**		***9%***	**973,983**		**1,124,426**		***-13%***
Sales and marketing costs	49,540	1.54%	36,360	1.23%	36%	14,571	1.50%	11,472	1.02%	27%
Overheads and administrative costs	70,953	2.21%	63,052	2.13%	13%	23,049	2.37%	20,987	1.87%	10%
Impairment loss/reversal of financial assets	(392)	-0.01%	1,129	0.04%	<-100%	(251)	-0.03%	285	0.03%	<-100%
Operating costs	**120,101**	**3.74%**	**100,541**	**3.40%**	***19%***	**37,369**	**3.84%**	**32,744**	**2.91%**	***14%***
- of which non recurring	827	0.03%	3,366	0.11%	-75%	827	0.08%	1,150	0.10%	-28%
'Recurring' operating costs	**119,274**	**3.71%**	**97,175**	**3.28%**	***23%***	**36,542**	**3.75%**	**31,594**	**2.81%**	***16%***

During the first nine months of 2021, operating costs, amounting to Euro 120.1 million, increased by Euro 19.6 million compared to the same period of 2020, but with an incidence on sales up to 3.74% from 3.40% in 2020. In the third quarter the operating costs, equal to Euro 37.4 million euro, increased by 14% compared with the same period of previous year.
The increase of Euro 12.6 million is attributable to the expansion of the scope of consolidation while, on a like-for-like basis, the increase relates to greater investments in promotional activities for own-brand products, with higher margins, and to labour costs as a consequence of the increase in the workforce according to the company development plans. Conversely, there was a significant reduction in value adjustments to financial assets depending on the favourable trend in collection management.

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)	9 months 2021	%	9 months 2020	%	% Var.	Q3 2021	%	Q3 2020	%	% Var.
Sales from contracts with customers	**3,210,806**		**2,959,102**		***9%***	**973,983**		**1,124,426**		***-13%***
Wages and salaries	44,363	1.38%	34,456	1.16%	*29%*	13,132	1.35%	10,621	0.94%	*24%*
Social contributions	13,095	0.41%	10,408	0.35%	*26%*	3,856	0.40%	3,270	0.29%	*18%*
Pension obligations	1,944	0.06%	1,823	0.06%	*7%*	692	0.07%	612	0.05%	*13%*
Other personnel costs	736	0.02%	693	0.02%	*6%*	199	0.02%	238	0.02%	*-16%*
Employee termination incentives	646	0.02%	885	0.03%	*-27%*	523	0.05%	712	0.06%	*-27%*
Share incentive plans	373	0.01%	218	0.01%	*71%*	163	0.02%	75	0.01%	*117%*
Total labour costs (1)	**61,157**	**1.90%**	**48,483**	**1.64%**	***26%***	**18,565**	**1.91%**	**15,528**	**1.38%**	***20%***

(1) Cost of temporary workers excluded.

As at 30 September 2021, labour costs amounted to Euro 61.1 million, up (+26%) on the growth in average personnel employed in the first nine months of the year (+19%), based primarily on the business combinations (all took place after the first nine months of 2020) and the increase in staff in both areas of operations of the Group, as set forth in the company development plans.

The employees number of the Group - split by qualification - is shown in the table below:

	Executives	Clerks and middle manager	Workers	Total	Average*
Esprinet S.p.A.	19	819	-	**838**	
Celly S.p.A.	-	-	-	**-**	
Celly Pacific LTD	-	3	-	**3**	
Dacom S.p.A.	-	27	7	**34**	
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	11	-	**14**	
V-Valley S.r.l.	-	-	-	-	
Subgroup Italy	**22**	**886**	**7**	**915**	**874**
Esprinet Iberica S.L.U.	-	275	81	**356**	
Vinzeo Technologies S.A.U.	-	213	-	**213**	
V-Valley Iberian S.L.U.	-	-	-	**-**	
Esprinet Portugal Lda	-	41	-	**41**	
GTI Software Y Networking S.A.	-	120	-	**120**	
Optima Logistics S.L.U.	-	2	4	**6**	
V-Valley Advanced Solutions Portugal, Unipessoal, Lda	-	-	-	**-**	
GTI Software & Networking SARLAU	-	12	-	**12**	
Subgroup Spain	**-**	**663**	**85**	**748**	**757**
Group as at 30 September 2021	**22**	**1,549**	**92**	**1,663**	**1,631**
Group as at 31 December 2020	**23**	**1,492**	**83**	**1,598**	**1,458**
Var 30/09/2021 - 31/12/2020	(1)	57	9	65	173
Var %	-4%	4%	11%	4%	12%
Group as at 30 September 2020	**22**	**1,313**	**83**	**1,418**	**1,368**
Var 30/09/2021 - 30/09/2020	-	236	9	245	263
Var %	0%	18%	11%	17%	19%

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

The number of employees in the workforce increased both compared to the first nine months of 2020 and compared to 31 December 2020 as a result of the business combinations carried out after the nine months of 2020 (the GTI Group in Spain, the company Dacom SpA and the IdMAINT Group in Italy).

Amortisation, depreciation, write-downs and accruals for risks

(euro/000)	9 months 2021	%	9 months 2020	%	% Var.	Q3 2021	%	Q3 2020	%	% Var.
Sales from contracts with customers	**3,210,806**		**2,959,102**		***9%***	**973,983**		**1,124,426**		***-13%***
Depreciation of tangible assets	3,203	0.10%	3,004	0.10%	*7%*	1,097	0.11%	984	0.09%	*12%*
Amortisation of intangible assets	748	0.02%	243	0.01%	*>100%*	572	0.06%	80	0.01%	*>100%*
Depreciation of right-of-use assets	8,166	0.25%	7,415	0.25%	*10%*	2,791	0.29%	2,476	0.22%	*13%*
Amort . & depreciation	**12,117**	**0.38%**	**10,662**	**0.36%**	***14%***	**4,460**	**0.46%**	**3,539**	**0.31%**	***26%***
Write-downs of fixed assets	-	0.00%	1,100	0.04%	*100%*	-	0.00%	-	0.00%	*100%*
Amort. & depr., write-downs (A)	**12,117**	**0.38%**	**11,762**	**0.40%**	***3%***	**4,460**	**0.46%**	**3,539**	**0.31%**	***26%***
Accruals for risks and charges (B)	466	0.01%	91	0.00%	*>100%*	367	0.04%	37	0.00%	*>100%*
Amort. & depr., write-downs, accruals for risks (C=A+B)	**12,583**	**0.39%**	**11,853**	**0.40%**	***6%***	**4,827**	**0.50%**	**3,576**	**0.32%**	***35%***

42) Financial income and expense

(euro/000)	9 months 2021	%	9 months 2020	%	% Var.	Q3 2021	%	Q3 2020	%	% Var.
Sales from contracts with customers	**3,210,806**		**2,959,102**		***9%***	**973,983**		**1,124,426**		***-13%***
Interest expenses on borrowings	1,421	0.04%	865	0.03%	*64%*	444	0.05%	378	0.03%	*17%*
Interest expenses to banks	120	0.00%	700	0.02%	*-83%*	64	0.01%	19	0.00%	*>100%*
Other interest expenses	7	0.00%	2	0.00%	*>100%*	6	0.00%	-	0.00%	*NA*
Upfront fees amortisation	397	0.01%	349	0.01%	*14%*	132	0.01%	121	0.01%	*9%*
Financial charges for actualization	(5)	0.00%	1	0.00%	*<100%*	(2)	0.00%	1	0.00%	*<100%*
IAS 19 expenses/losses	14	0.00%	26	0.00%	*-46%*	4	0.00%	9	0.00%	*-56%*
IFRS financial lease interest expenses	2,378	0.07%	2,509	0.08%	*-5%*	797	0.08%	827	0.07%	*-4%*
Derivatives ineffectiveness	-	0.00%	5	0.00%	*NA*	-	0.00%	5	0.00%	*NA*
Total financial expenses (A)	**4,332**	**0.13%**	**4,457**	**0.15%**	***-3%***	**1,445**	**0.15%**	**1,360**	**0.12%**	***6%***
Interest income from banks	(4)	0.00%	(15)	0.00%	*-73%*	(1)	0.00%	(1)	0.00%	*0%*
Interest income from others	(24)	0.00%	(219)	-0.01%	*-89%*	2	0.00%	(170)	-0.02%	*<100%*
Derivatives ineffectiveness	11	0.00%	(2)	0.00%	*<100%*	(6)	0.00%	-	0.00%	*NA*
Total financial income(B)	**(17)**	**0.00%**	**(236)**	**-0.01%**	***-93%***	**(5)**	**0.00%**	**(171)**	**-0.02%**	***-97%***
Net financial exp. (C=A+B)	**4,315**	**0.13%**	**4,221**	**0.14%**	***2%***	**1,440**	**0.15%**	**1,189**	**0.11%**	***21%***
Foreign exchange gains	(665)	-0.02%	(1,883)	-0.06%	*-65%*	(40)	0.00%	(1,016)	-0.09%	*-96%*
Foreign exchange losses	2,020	0.06%	1,982	0.07%	*2%*	525	0.05%	274	0.02%	*92%*
Net foreign exch. (profit)/losses (D)	**1,355**	**0.04%**	**99**	**0.00%**	***>100%***	**485**	**0.05%**	**(742)**	**-0.07%**	***<100%***
Net financial (income)/costs (E=C+D)	**5,670**	**0.18%**	**4,320**	**0.15%**	***31%***	**1,925**	**0.20%**	**447**	**0.04%**	***>100%***

The overall balance of financial income and expenses, a negative Euro 5.7 million, worsened by Euro 1.4 million compared to the corresponding period of the previous year (Euro 4.3 million), due exclusively to the higher net exchange losses. Similar phenomena and trends were also recorded in the third quarter of 2021 compared to the third quarter of 2020.

45) Taxes

(euro/000)	9 months 2021	%	9 months 2020	%	% Var.	Q3 2021	%	Q3 2020	%	% Var.
Sales from contracts with customers	**3,210,806**		**2,959,102**		***9%***	**973,983**		**1,124,426**		***-13%***
Current and deferred taxes	**10,672**	**0.33%**	**5,779**	**0.20%**	***85%***	**2,408**	**0.25%**	**2,723**	**0.24%**	***-12%***
Profit before taxes	39,263		23,262			8,949		12,523		
Tax rate	**27%**		**25%**			**27%**		**22%**		

Income taxes, estimated at Euro 10.7 million, show a significant increase compared to the corresponding period of 2020 due to the combined effect of the higher tax base and a more onerous tax rate as a result, also, of the increased incidence of the result of the Subgroup Italy, subject to a higher tax rate, compared to that of the Subgroup Spain.

46) Net income and earnings per share

(euro/000)	9 months 2021	9 months 2020	Var.	% Var.	Q3 2021	Q3 2020	Var.	% Var.
Net income attributable to Group	**28,722**	**17,461**	**11,262**	***64%***	**6,594**	**9,648**	**(3,054)**	***-32%***
Weighed average no. of shares in circulation: basic	49,583,960	49,784,123			49,406,099	52,581,258		
Weighed average no. of shares in circulation: diluted	50,165,078	50,738,819			50,117,250	53,705,767		
Earnings per share in euro - basic	**0.58**	**0.35**	**0.23**	***66%***	**0.13**	**0.18**	**-0.05**	***-28%***
Earnings per share in euro - diluted	**0.57**	**0.34**	**0.23**	***68%***	**0.13**	**0.18**	**-0.05**	***-28%***

1,528,024 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, 1,011,318 shares were considered, that will potentially be involved in the Stock Grant Plan approved on 7 April 2021 by the Shareholders' Meeting of Esprinet S.p.A. (number of shares quantified in relation to the estimated level of attainment of the targets set in the Long-Term Compensation Plan and the estimated probability of 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)	**30/09/2021**	related parties *	**31/12/2020**	related parties *
ASSETS				
Non-current assets				
Property, plant and equipment	14,117		12,498	
Right-of-use assets	108,862		99,928	
Goodwill	102,200		108,442	
Intangible assets	8,601		722	
Deferred income tax assets	13,324		12,950	
Receivables and other non-current assets	2,445	-	2,917	-
	249,549	**-**	**237,457**	**-**
Current assets				
Inventory	549,578		402,755	
Trade receivables	421,959	3	584,037	5
Income tax assets	168		410	
Other assets	62,854	-	40,186	-
Derivative financial assets	8		27	
Cash and cash equivalents	117,736		558,928	
	1,152,303	**3**	**1,586,343**	**5**
Total assets	**1,401,852**	**3**	**1,823,800**	**5**
EQUITY				
Share capital	7,861		7,861	
Reserves	333,603		347,602	
Group net income	28,723		31,405	
Group net equity	**370,187**		**386,868**	
Non-controlling interests	1,530		2,095	
Total equity	**371,717**		**388,963**	
LIABILITIES				
Non-current liabilities				
Borrowings	96,245		107,069	
Lease liabilities	103,688		93,999	
Deferred income tax liabilities	15,015		11,309	
Retirement benefit obligations	5,312		4,847	
Debts for investments in subsidiaries	1,730		230	
Provisions and other liabilities	3,935		3,702	
	225,925		**221,156**	
Current liabilities				
Trade payables	627,236	-	1,107,826	8
Short-term financial liabilities	116,763		56,049	
Lease liabilities	9,709		8,867	
Income tax liabilities	5,591		224	
Debts for investments in subsidiaries	1,959		220	
Provisions and other liabilities	42,952	-	40,495	-
	804,210	**-**	**1,213,681**	**8**
Total liabilities	**1,030,135**	**-**	**1,434,837**	**8**
Total equity and liabilities	**1,401,852**	**-**	**1,823,800**	**8**

(*) Further details on transactions with Related Parties can be found in the section by the same title.

4.2 Notes to the most significant statement of financial position items

4.2.1 Gross investments

(euro/000)	30/09/2021			31/12/2020
	Esprinet Group	Subgroup Italy	Subgroup Iberian	Esprinet Group
Plant and machinery	726	215	511	272
Ind. And comm. Equipment & Other assets	2,452	1,979	473	3,763
Assets under construction and advances	1,607	1,590	17	356
Total Property, plant and equipment	**4,785**	**3,784**	**1,001**	**4,391**
Industrial patents and intellectual rights	74	63	11	376
Assets under construction and advances	211	211	-	173
Total intangible asstes	**285**	**274**	**11**	**549**
Total gross investments	**5,070**	**4,058**	**1,012**	**4,940**

Investments as at 30 September 2021 mainly refer to the equipment and fitting out of the new logistics hub in Italy and the new offices in Spain, as well as the normal renewal of the technology base for business activities.

There are no other temporarily unused property, plant and equipment intended for sale.

The investments in '*Industrial patent and intellectual property rights*' refer essentially to the software licences for long-term renewal and the upgrading of the management information system.

The amortisation rates applied to each asset category are unchanged compared with those as at 31 December 2020.

4.2.2 Net financial debt and covenants

(euro/000)	30/09/2021	31/12/2020	Var.	30/09/2020	Var.
Short-term financial liabilities	116,763	56,049	60,714	72,413	44,350
Lease liabilities	9,709	8,867	842	8,618	1,091
Current debts for investments in subsidiaries	1,959	220	1,739	-	1,959
Current financial (assets)/liabilities for derivatives	(8)	(27)	19	-	(8)
Financial receivables from factoring companies	(1,670)	(147)	(1,523)	(1,134)	(536)
Other current financial receivables	(9,858)	(9,617)	(241)	(9,721)	(137)
Cash and cash equivalents	(117,736)	(558,928)	441,192	(234,797)	117,061
Net current financial debt	**(841)**	**(503,583)**	**502,742**	**(164,621)**	**163,780**
Borrowings	96,245	107,069	(10,824)	85,385	10,860
Lease liabilities	103,688	93,999	9,689	94,258	9,430
Non - current debts for investments in subsidiaries	1,730	230	1,500	-	1,730
Other non - current financial receivables	-	(492)	492	(492)	492
Net financial debt	**200,822**	**(302,777)**	**503,599**	**14,530**	**186,292**

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 net financial position of the Group, a negative Euro 200.8 million, corresponds to a net balance between gross financial payables for Euro 216.7 million, financial receivables of Euro 11.6 million, financial lease liabilities for Euro 113.4 million and cash and cash equivalents of Euro 117.7 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 non-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.

The revolving programme for without-recourse sale of account receivables, focusing on selected customer segments, particularly in the large-scale distribution sector, continued during the first nine months of 2021 both in Italy and in Spain as part of the processes aimed at the structural optimisation of the management of working capital. In addition to this, the securitisation programme also continued during the period, launched in Italy in July 2015 and renewed in July 2021, 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 the statement of financial position assets in compliance with IFRS 9. The overall effect on the level of net financial debts as at 30 September 2021 is quantified at roughly Euro 347.2 million (Euro 536.6 million as at 31 December 2020 and Euro 369.6 million as at 30 September 2020).

The financial liabilities include some medium/long-term loans, as well as a Revolving Credit Facility, unused as at 30 September 2021, 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 at 30 June and/or 31 December of each year.
The various medium/long-term loan agreements, including those that do not make provision for financial covenants and the above-mentioned Revolving Credit Facility, also contain the usual "negative pledge", "pari passu" and similar clauses.
The representation of these liabilities in the financial statements shown in this interim report on operations is not affected by any failure to comply with the aforementioned restrictions.

4.2.3 Goodwill

Goodwill amounted to Euro 102.2 million and, compared to Euro 108.4 million recorded as at 31 December 2020, shows a decrease of Euro 6.2 million, which is the result of the combined effect of a reduction of Euro 6.3 million of the value of the goodwill provisionally determined in 2020 referring to the acquisition of the GTI group, and the recognition of the goodwill of Euro 0.1 million, provisionally determined following the first-time consolidation of the company Dacom SpA acquired by the parent company in January 2021.

The reduction of Euro 6.3 million in goodwill relating to the acquisition of the GTI group derives from its recalculation, as permitted by IFRS 3, following the recognition of the separable intangible asset of *Customer Relationship,* identified in relation to the market context and the business model in which the acquired group operates, and the related tax effect.

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)	30/09/2021	31/12/2020	Var.		
Esprinet S.p.A.	19,384	19,271	113	CGU 1	Distribution B2B of Information Technology and Consumer Electronics (Italy)
Esprinet Iberica S.L.U.	82,816	89,171	(6,355)	CGU 2	Distribution B2B of Information Technology and Consumer Electronics (Iberian Peninsula)
Total	**102,200**	**108,442**	**(6,242)**		

The annual impairment test, carried out at the time of preparation of the financial statements as at 31 December 2020, did not bring to light any impairment loss with reference to the CGUs existing at that date.

IAS 36 also requires that the impairment test on the goodwill be carried out more frequently in the presence of indicators of impairment loss ('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, 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, for both CGUs, none of the indicators analysed suggested the existence of impairment. The main reasons are the growth in the markets of operations of the CGUs, owing to the steady demand for technology instruments and IT solutions with the spread of smart-working and e-learning, and in the absence of critical impacts on the discount rate used in calculating the value in use (WACC) in relation to the change in reference rates.
For the aforementioned CGUs, therefore, there was no need to carry out an impairment test on goodwill.

For more detailed information relating to the disclosure of the impairment testing of goodwill, please refer to the explanatory notes reported in the 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)	**-**	**(51)**	**-**	**17,482**	**17,431**	**19**	**17,412**
Allocation of last year net income/(loss)	-	23,553	-	(23,553)	**-**	-	**-**
Acquisition and deletion of Esprinet own shares	-	(1,656)	-	-	**(1,656)**	-	**(1,656)**
Transactions with owners	**-**	**21,897**	**-**	**(23,553)**	**(1,656)**	**-**	**(1,656)**
Currently active Share plans	-	990	-	-	**990**	-	**990**
Other variations	-	(8)	-	-	**(8)**	(1)	**(7)**
Balance at 30 September 2020	**7,861**	**359,083**	**(8,647)**	**17,482**	**375,779**	**2,526**	**373,253**
Balance at 31 December 2020	**7,861**	**354,111**	**(4,800)**	**31,791**	**388,963**	**2,095**	**386,868**
Total comprehensive income/(loss)	-	147	-	28,591	**28,738**	(118)	**28,856**
Allocation of last year net income/(loss)	-	31,791	-	(31,791)	**-**	-	**-**
Dividend payment	-	(27,234)	-	-	**(27,234)**	(447)	**(26,787)**
Purchases of own shares	-	-	(19,859)	-	**(19,859)**	-	**(19,859)**
Transactions with owners	**-**	**4,557**	**(19,859)**	**(31,791)**	**(47,093)**	**(447)**	**(46,646)**
Grant of share under share plans	-	(4,065)	4,396	-	**331**	-	**331**
Equity plans in progress	-	881	-	-	**881**	-	**881**
Other variations	-	(103)	-	-	**(103)**	-	**(103)**
Balance at 30 September 2021	**7,861**	**355,528**	**(20,263)**	**28,591**	**371,717**	**1,530**	**370,187**

6. Consolidated statement of cash flows[2]

(euro/000)	9 months 2021	9 months 2020
Cash flow provided by (used in) operating activities (D=A+B+C)	**(410,451)**	**(280,504)**
Cash flow generated from operations (A)	**57,829**	**39,629**
Operating income (EBIT)	44,933	27,582
Income from business combinations	(168)	-
Depreciation, amortisation and other fixed assets write-downs	12,117	11,762
Net changes in provisions for risks and charges	180	(652)
Net changes in retirement benefit obligations	(445)	(53)
Stock option/grant costs	1,212	990
Cash flow provided by (used in) changes in working capital (B)	**(461,587)**	**(315,278)**
Inventory	(130,202)	(6,283)
Trade receivables	187,089	43,486
Other current assets	(19,931)	3,067
Trade payables	(498,440)	(365,007)
Other current liabilities	(103)	9,459
Other cash flow provided by (used in) operating activities (C)	**(6,693)**	**(4,855)**
Interests paid	(3,273)	(3,560)
Received interests	28	234
Foreign exchange (losses)/gains	(1,077)	31
Income taxes paid	(2,371)	(1,560)
Cash flow provided by (used in) investing activities (E)	**(14,437)**	**(3,776)**
Net investments in property, plant and equipment	(4,552)	(3,392)
Net investments in intangible assets	(285)	(385)
Net investments in other non current assets	16	1
Dacom business combination	(9,131)	-
idMAINT business combination	(485)	-
Cash flow provided by (used in) financing activities (F)	**(16,304)**	**55,300**
Medium/long term borrowing	1,500	44,000
Repayment/renegotiation of medium/long-term borrowings	(22,712)	(11,189)
Leasing liabilities remboursement	(6,829)	(6,201)
Net change in financial liabilities	60,094	27,477
Net change in financial assets and derivative instruments	(1,264)	2,869
Dividend payments	(27,234)	-
Own shares acquisition	(19,859)	(1,656)
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**(441,192)**	**(228,980)**
Cash and cash equivalents at year-beginning	**558,928**	**463,777**
Net increase/(decrease) in cash and cash equivalents	**(441,192)**	**(228,980)**
Cash and cash equivalents at year-end	**117,736**	**234,797**

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

[2] The effects of transactions with related parties are omitted as non significant.

(euro/000)	9 months 2021	9 months 2020
Net financial debt at year-beginning	**(302,777)**	**(272,275)**
Cash flow provided by (used in) operating activities	(410,451)	(280,504)
Cash flow provided by (used in) investing activities	(14,437)	(3,776)
Cash flow provided by (used in) changes in net equity	(47,093)	(1,656)
Total cash flow	**(471,981)**	**(285,936)**
Unpaid interests	(795)	(601)
Unpaid leasing interests	(261)	(268)
Lease liabilities posting	(17,099)	-
Net Financial debts (no cash) acquisitions	(10,224)	-
Deferred price acquisitions	(3,239)	-
Net financial debt at year-end	**200,822**	**14,530**
Short-term financial liabilities	116,763	72,413
Lease liabilities	9,709	8,618
Customers financial receivables	(9,858)	(9,721)
Current financial (assets)/liabilities for derivatives	(8)	-
Financial receivables from factoring companies	(1,670)	(1,134)
Current Debts for investments in subsidiaries	1,959	-
Cash and cash equivalents	(117,736)	(234,797)
Net current financial debt	**(841)**	**(164,621)**
Borrowings	96,245	85,385
Lease liabilities	103,688	94,258
Non current Debts for investments in subsidiaries	1,730	-
Customers financial receivables	-	(492)
Net financial debt at year-beginning	**200,822**	**14,530**

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.
Revenues realised are related to the sales of consumer electronic products to business and private customers under normal market conditions.

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)	9 months 2021			
	Italy Distr. IT & CE B2B	Iberian Pen. Distr. It & CE B2B	Elim. and other	Group
Sales to third parties	2,012,799	1,198,008	-	3,210,806
Intersegment sales	26,987	-	(26,987)	-
Sales from contracts with customers	**2,039,786**	**1,198,008**	**(26,987)**	**3,210,806**
Cost of sales	(1,930,489)	(1,142,294)	27,011	(3,045,772)
Gross profit	**109,297**	**55,714**	**24**	**165,034**
Gross Profit %	*5.36%*	*4.65%*		*5.14%*
Sales and marketing costs	(34,273)	(15,267)	-	(49,540)
Overheads and admin. costs	(49,727)	(21,250)	24	(70,953)
Impairment loss/reversal of financial assets	216	176	-	392
Operating income (Ebit)	**25,513**	**19,373**	**48**	**44,933**
EBIT %	*1.25%*	*1.62%*		*1.40%*
Finance costs - net				(5,670)
Profit before income tax				**39,263**
Income tax expenses				(10,672)
Net income				**28,591**
- of which attributable to non-controlling interests				(132)
- of which attributable to Group				28,723
Depreciation and amortisation	**8,566**	**3,332**	219	**12,117**
Other non-cash items	**3,021**	**335**	-	**3,356**
Investments	**4,058**	**1,012**	-	**5,070**
Total assets	**952,746**	**557,542**	(108,436)	**1,401,852**

(euro/000)	9 months 2020			
	Italy	Iberian Pen.	Elim. and other	Group
	Distr. IT & CE B2B	Distr. IT & CE B2B		
Sales to third parties	1,856,763	1,102,339	-	2,959,102
Intersegment sales	23,635	-	(23,635)	-
Sales from contracts with customers	**1,880,398**	**1,102,339**	**(23,635)**	**2,959,102**
Cost of sales	(1,790,369)	(1,064,276)	23,666	(2,830,979)
Gross profit	**90,029**	**38,063**	**31**	**128,123**
Gross profit %	*4.79%*	*3.45%*		*4.33%*
Sales and marketing costs	(27,725)	(8,635)	-	(36,360)
Overheads and admin. costs	(48,146)	(14,920)	14	(63,052)
Impairment loss/reversal of financial assets	(726)	(404)	1	(1,129)
Operating income (Ebit)	**13,432**	**14,104**	**46**	**27,582**
EBIT %	*0.71%*	*1.28%*		*0.93%*
Finance costs - net				(4,320)
Profit before income tax				**23,262**
Income tax expenses				(5,779)
Net income				**17,483**
- of which attributable to non-controlling interests				22
- of which attributable to Group				17,461
Depreciation and amortisation	**9,185**	**2,325**	252	**11,762**
Other non-cash items	**2,824**	**68**	-	**2,892**
Investments	**3,123**	**376**	-	**3,499**
Total assets	**975,111**	**526,946**	(80,183)	**1,421,874**

(euro/000)	Q3 2021			
	Italy	Iberian Pen.	Elim. and other	Group
	Distr. IT & CE B2B	Distr. It & CE B2B		
Sales to third parties	592,301	381,683		973,983
Intersegment sales	9,890	-	(9,890)	-
Sales from contracts with customers	**602,191**	**381,683**	**(9,890)**	**973,983**
Cost of sales	(571,484)	(364,152)	9,896	(925,740)
Gross profit	**30,707**	**17,531**	**6**	**48,243**
Gross Profit %	*5.10%*	*4.59%*		*4.95%*
Sales and marketing costs	(9,910)	(4,660)	(1)	(14,571)
Overheads and admin. costs	(15,331)	(7,728)	10	(23,049)
Impairment loss/reversal of financial assets	95	156	-	251
Operating income (Ebit)	**5,561**	**5,299**	**15**	**10,874**
EBIT %	*0.92%*	*1.39%*		*1.12%*
Finance costs - net				(1,925)
Profit before income tax				**8,949**
Income tax expenses				(2,408)
Net income				**6,541**
- of which attributable to non-controlling interests				(54)
- of which attributable to Group				6,595
Depreciation and amortisation	**2,939**	**1,452**	69	**4,460**
Other non-cash items	**1,257**	**313**	-	**1,570**
Investments	**1,123**	**433**	-	**1,556**
Total assets	**952,746**	**557,542**	(108,436)	**1,401,852**

(euro/000)	Q3 2020			
	Italy	Iberian Pen.	Elim. and other	Group
	Distr. IT & CE B2B	Distr. It & CE B2B		
Sales to third parties	664,660	459,765		1,124,426
Intersegment sales	8,849	-	(8,849)	-
Sales from contracts with customers	**673,509**	**459,765**	**(8,849)**	**1,124,426**
Cost of sales	(642,918)	(444,579)	8,785	(1,078,712)
Gross profit	**30,591**	**15,186**	**(64)**	**45,714**
Gross profit %	*4.54%*	*3.30%*		*4.07%*
Sales and marketing costs	(8,723)	(2,749)	-	(11,472)
Overheads and admin. costs	(16,016)	(4,975)	4	(20,987)
Impairment loss/reversal of financial assets	(207)	(78)	-	(285)
Operating income (Ebit)	**5,645**	**7,384**	**(60)**	**12,970**
EBIT %	*0.84%*	*1.61%*		*1.15%*
Finance costs - net				(447)
Profit before income tax				**12,523**
Income tax expenses				(2,723)
Net income				**9,800**
- of which attributable to non-controlling interests				152
- of which attributable to Group				9,648
Depreciation and amortisation	**2,693**	**764**	**82**	**3,539**
Other non-cash items	**914**	**23**	**-**	**937**
Investments	**1,588**	**61**	**-**	**1,649**
Total assets	**975,111**	**526,946**	**(80,183)**	**1,421,874**

Statement of financial position by operating segments

	30/09/2021			
	Italy	Iberian Pen.		
(euro/000)	Distr. IT & CE B2B	Distr. IT & CE B2B	Elim. and other	Group
ASSETS				
Non-current assets				
Property, plant and equipment	11,047	3,070	-	14,117
Right-of-use assets	87,503	21,359	-	108,862
Goodwill	19,384	81,777	1,039	102,200
Intangible assets	720	7,881	-	8,601
Investments in others	75,692	-	(75,692)	-
Deferred income tax assets	5,722	7,533	69	13,324
Receivables and other non-current assets	1,953	492	-	2,445
	202,021	**122,112**	**(74,584)**	**249,549**
Current assets				
Inventory	349,087	200,704	(213)	549,578
Trade receivables	243,647	178,312	-	421,959
Income tax assets	107	61	-	168
Other assets	84,345	12,148	(33,639)	62,854
Derivative financial assets	-	8	-	8
Cash and cash equivalents	73,539	44,197	-	117,736
	750,725	**435,430**	**(33,852)**	**1,152,303**
Total assets	**952,746**	**557,542**	**(108,436)**	**1,401,852**
EQUITY				
Share capital	7,861	54,693	(54,693)	7,861
Reserves	257,976	95,675	(20,048)	333,603
Group net income	15,397	13,252	74	28,723
Group net equity	**281,234**	**163,620**	**(74,667)**	**370,187**
Non-controlling interests	1,530	130	(130)	1,530
Total equity	**282,764**	**163,750**	**(74,797)**	**371,717**
LIABILITIES				
Non-current liabilities				
Borrowings	31,614	64,631	-	96,245
Lease liabilities	83,935	19,753	-	103,688
Deferred income tax liabilities	3,700	11,315	-	15,015
Retirement benefit obligations	5,312	-	-	5,312
Debts for investments in subsidiaries	1,730	-	-	1,730
Provisions and other liabilities	1,923	2,012	-	3,935
	128,214	**97,711**	**-**	**225,925**
Current liabilities				
Trade payables	413,308	213,928	-	627,236
Short-term financial liabilities	88,647	58,116	(30,000)	116,763
Lease liabilities	7,073	2,636	-	9,709
Income tax liabilities	4,030	1,561	-	5,591
Debts for investments in subsidiaries	1,959	-	-	1,959
Provisions and other liabilities	26,751	19,840	(3,639)	42,952
	541,768	**296,081**	**(33,639)**	**804,210**
Total liabilities	**669,982**	**393,792**	**(33,639)**	**1,030,135**
Total equity and liabilities	**952,746**	**557,542**	**(108,436)**	**1,401,852**

(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 nine months of 2021, the following non-recurring items were identified:

- costs of Euro 0.8 million, incurred by the parent company Esprinet SpA in relation to the construction of a new logistics hub located in Cavenago.

In the corresponding period of 2020, the following non-recurring transactions and events were identified:

- Euro 0.9 million, of sundry costs relating primarily to advisory services, incurred by the parent company Esprinet S.p.A. in relation to the business combination to be carried out in Spain (GTI Group);
- Euro 1.1 million relating to the partial write-down of the goodwill allocated to the mobile phone accessories distribution CGU and attributable to the Celly Group;
- Euro 1.2 million relating to the costs incurred as a result of the termination of the contract of the former Group director and CFO;
- Euro 0.2 million relating to the costs incurred to face the Covid-19 health emergency;

The following table shows the impact of the above events and operations on the income statement (including the related tax effects):

(euro/000)	Non - Recurring Charge Type	9 months 2021	9 months 2020	Q3 2021	Q3 2020
Overheads and administrative costs	Extension warehouse costs	(827)	-	(827)	-
Overheads and administrative costs	Employee termination incentives	-	(1,150)	-	(1,150)
Overheads and administrative costs	Write-down of goodwill	-	(1,100)	-	-
Overheads and administrative costs	Business combination acquisition costs	-	(905)	-	-
Overheads and administrative costs	Covid-19 costs	-	(211)	-	-
Total SG&A	**Total SG&A**	**(827)**	**(3,366)**	**(827)**	**(1,150)**
Operating Income (EBIT)	**Operating Income (EBIT)**	**(827)**	**(3,366)**	**(827)**	**(1,150)**
Profit before income taxes	**Profit before income taxes**	**(827)**	**(3,366)**	**(827)**	**(1,150)**
Income tax expenses	Income tax expenses	231	632	231	320
Net income/(loss)	**Net income/(loss)**	**(596)**	**(2,734)**	**(596)**	**(830)**

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 100% of the share capital of Dacom S.p.A., leader in the specialised distribution of products and solutions for Automatic Identification and Data Capture (AIDC) and 100% of the 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 acquisition authorisation from the Italian Anti-Trust Authorities, envisaged a consideration of Euro 13.7 million, of which Euro 10.3 million paid in cash at the purchase date.

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. into GTI Software Y Networking S.A.

The deed of merger by incorporation into 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.

Annual Shareholders' Meeting of the parent company Esprinet S.p.A.

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 free 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 are 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 Company 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.).

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 Esprinet 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 2021-23 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.

Renegotiation of the maturity date of loans guaranteed by the Spanish State through Instituto de Crédito Official ("ICO")

In May 2021, the Spanish subsidiaries Esprinet Iberica S.L.U. and Vinzeo Technologies S.A.U. renegotiated 11 "amortising" loans taken out in 2020 with the issuing banks, guaranteed by the Spanish State through the Instituto de Crédito Official ("ICO"), as part of the measures adopted by the Spanish government to help businesses deal with the economic emergency stemming from the COVID-19 pandemic and the residual principal value as at 30 June 2021 amounting to Euro 50.4 million.
The debt restructuring, incorporated in an option granted by the Spanish State to further counteract and mitigate the effects of the economic and social emergency triggered by COVID-19, consisted of the deferment of the original maturities and/or repayment dates envisaged originally and/or the modification of the interest rates applied.

Renewal of an agreement for securitisation of a portfolio of trade receivables for a maximum amount of Euro 120.0 million

On 5 July 2021, Esprinet S.p.A. and its wholly owned subsidiary V-Valley S.r.l. renewed, as originators, a transaction involving the securitisation of trade receivables for the three-year period 2021-2024, started in July 2015 and updated in July 2018.

The transaction, which has been structured by UniCredit Bank AG as arranger, involves the assignment on a 'non-recourse' revolving basis of trade receivables to the special purpose vehicle under Law no. 130/1999 named Vatec S.r.l., over an additional period of three years.

The total amount of the programme was increased to Euro 120.0 million from the original 100.0 million euro. The purchase of trade receivables is being funded through the issue of different classes of notes: class A notes (senior), subscribed by a conduit sponsored by UniCredit Group, class B notes (mezzanine) and class C notes (junior) subscribed by specialised investors.

The transaction supplements the Revolving Credit Facility loan of Euro 152.5 million subscribed in September 2019 and expiring in September 2022 and the other bilateral loans subscribed in Italy and Spain, helping ensure the Group could notably extend the average duration of its financial indebtedness.

Merger by incorporation of V-Valley Iberian S.L.U. into GTI Software Y Networking S.A.

On 21 September 2021, the deed of merger by incorporation of V-Valley Iberian S.L.U. into GTI Software Y Networking, S.A. was stipulated, both wholly-owned by Esprinet Iberica S.L.U.
This transaction falls under the mapped out process to maximise the commercial and operating synergies between the two companies, both operating in the Advanced Solutions business, following the acquisition of the GTI Group on 1 October 2020.
The merger is effective from 1 October 2021, with the accounting and tax effects backdated to 1 January 2021.
From the completion of the merger, the merged company changed its name to "V-Valley Advanced Solutions España, S.A.", taking over all legal relationships of V-Valley Iberian S.L.U., and assuming the rights and obligations in place prior to the merger.

Merger by incorporation of Celly S.p.A. into Esprinet S.p.A.

On 27 September 2021, the deed of merger by incorporation of the wholly-owned subsidiary Celly SpA into Esprinet SpA was signed.
Since this is a 'simplified' merger by incorporation of a wholly-owned company, the resolution was adopted by the Board of Directors, by means of a public deed, not by the Shareholders' Meeting.
The merger is effective from 1 October 2021 for legal purposes, while accounting and tax effects were backdated to 1 January 2021.
Upon completion of the merger, Esprinet S.p.A. thus took over all the legal relationships of Celly S.p.A., taking on all relevant rights and obligations in place prior to the merger.

This transaction is part of the planned process to maximise commercial and operational synergies with the subsidiary, started with the purchase at the end of October 2020 of the remaining shares held by the minority shareholder, and continued with the subscription on 4 January 2021 of a business lease agreement in preparation for the subsequent 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, 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.

On 13 September 2021, a new assessment notice was served, with a value of Euro 6.5 million plus penalties and interest, relating to transactions carried out with some customers in the 2013 tax year, against which the Company is preparing an appeal.
The total value of the aforementioned disputes therefore amounts to Euro 25.2 million plus penalties and interest of which Euro 13.8 million has already been paid, as envisaged by the administrative procedure, pending the final judgement.

On 29 October 2021, Esprinet SpA also paid Euro 0.8 million following the signing of a settlement agreement with the Italian Revenue Agency to close a tax dispute for an amount of Euro 6.0 million plus penalties and interest, relating to VAT, IRPEG (corporate income tax) and IRAP (regional business tax) disputed in relation to the 2002 tax period.

12. Subsequent events

Relevant events occurred after period end are briefly described below:

Developments in tax disputes

For a better presentation, developments in tax disputes occurred after the period under review are disclosed under the paragraph 'significant events occurring in the period'.

Vimercate, 11 November 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 30 September 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 30 September 2021 corresponds to the accounting documents, books and records.

Vimercate, 11 November 2021

The Manager responsible for preparing
the company accounting documents

(Pietro Aglianò)