Esprinet Group

Half-year Financial Report as at 30 June 2022

Approved by the Board of Directors on 13 September 2022

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 30/06/2022: Euro 7,860,651

www.esprinet.com - info@esprinet.com

Company Officers

Board of Directors:

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

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

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

Board of Statutory Auditors:

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

Chairman	Maurizio Dallocchio
Standing auditor	Maria Luisa Mosconi
Standing auditor	Silvia Muzi
Alternate auditor	Vieri Chimenti
Alternate auditor	Riccardo Garbagnati

Independent Auditors:

(Mandate 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

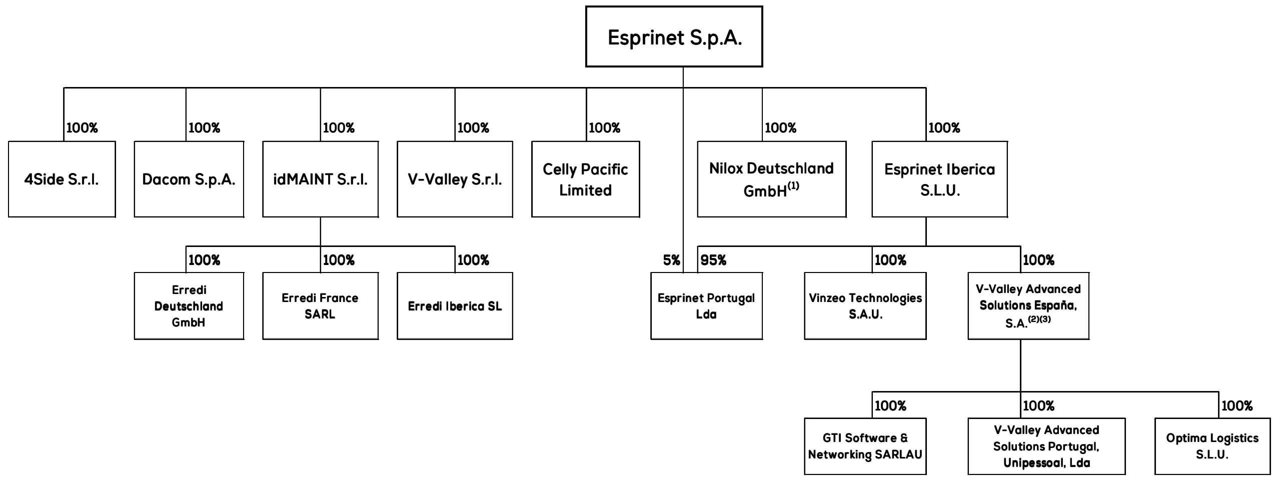
Pursuant to Article 70, paragraph 8, and Article 71, paragraph 1-bis, of the Issuers' Regulation issued by CONSOB, on 21 December 2012 the Board of Directors of Esprinet S.p.A. resolved to make use of the right to waive the obligation to publish the information documents stipulated for significant transactions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

CONTENTS

Activities and structure of the Esprinet Group

1. General information about the Esprinet Group

The structure of the Esprinet Group as at 30 June 2022 is as follows:



(1) Discontinued on 30/06/2022

(2) GTI Software Y Networking S.A. till 21/09/2021

(3) 100% of which 9,58% of own shares owned by V-Valley Advanced Solutions España, S.A.

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, the Italian Subgroup includes not only the parent company Esprinet S.p.A., but also the companies it directly controls, V-Valley S.r.l., Celly Pacific LTD., Nilox Deutschland GmbH (in liquidation since 16 September 2019), 4Side S.r.l., Dacom S.p.A. and idMAINT S.r.l.
For the purposes of the representation under the Italian Subgroup, 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.

At the same date, the Iberian Subgroup is instead made up of the Spanish operating sub-holding Esprinet Iberica S.L.U. and its subsidiaries Esprinet Portugal Lda, Vinzeo Technologies S.A.U. and V-Valley Advanced Solutions España, S.A. (formerly GTI Software Y Networking S.A.). For the purposes of representation within the Iberian Subgroup, the subsidiary V-Valley Advanced Solutions España, 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.

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. Target Market Trend

The technology distribution industry

Europe

In the first half of 2022, the IT and electronics distribution industry, measured by the research company Context (June 2022), with reference to a panel of distributors representative of the general trend, generated Sales of around 42.8 billion euro, essentially in line (-0.4%) with the same period of the previous year (Sales in the first half of 2021 came to roughly 42.9 billion euro).
Delving into the breakdown by quarter, the April-June 2022 period recorded a negative performance compared to the previous year (-1.2%), as did the first three months (-1.8%).

Germany, the main European market accounting for approximately 8.6 billion euro in revenues, reported a decrease of 4.7%. The United Kingdom and Ireland, second in terms of importance, registered increased revenues compared to the previous year (+0.6%).
Italy, confirmed third in terms of the volume of revenues - roughly 4.5 billion euro -, recorded a reduction of 3.9% in turnover. By contrast, Spain and Portugal recorded increases of +0.8% (with revenues of 3.1 billion euro) and +7.9% (revenues came to roughly 820 billion euro) respectively.
France also recorded an increase (+1.1%) compared to the results posted in the first half of 2021, bringing revenues to 3.8 billion euro.
Eastern European countries (Poland, Czech Republic, Baltic Countries and Slovakia) together reported an increase of higher than the European average (+4.2%), despite the negative performances of Slovakia (-1.3%) and the Czech Republic (-8.2%), more than offset by the increases of Poland (+9.4%) and the Baltic Countries (+6.6%).

The table below summarises the distribution trend in the first two quarters:

	Q1 2022 vs 2021	Q2 2022 vs 2021	H1 2022 vs 2021
Total	**-1.8%**	**-1.2%**	**-0.4%**
Germany	-6.8%	-2.1%	-4.7%
UK-Ireland	-0.1%	1.4%	0.6%
Italy	**-4.0%**	**-3.7%**	**-3.9%**
France	-0.3%	2.6%	1.1%
Spain	**-1.9%**	**3.6%**	**0.8%**
Poland	6.2%	12.8%	9.4%
Netherlands	-0.9%	-1.4%	-1.1%
Swiss	-3.0%	-1.3%	-2.2%
Sweden	5.9%	12.5%	9.1%
Belgium	-2.6%	8.6%	2.6%
Austria	6.1%	2.2%	4.2%
Czech Republic	-6.6%	-9.8%	-8.2%
Portugal	**11.0%**	**4.7%**	**7.9%**
Denmark	-10.5%	2.1%	-5.0%
Finland	3.3%	4.6%	4.0%
Norway	-2.4%	0.7%	-0.9%
Baltic Countries	7.6%	5.6%	6.6%
Slovakia	-6.8%	4.9%	-1.3%

Source: Context, June 2022

Italy

In the first half of 2022, the Italian technology distribution market mapped in the Context Panel declined by +3.9% compared with the same period in 2021.
Following a decrease of 4.0% in the first quarter, the second quarter recorded a drop of -3.7% compared to the second quarter of the previous year.
Mobile Computing (notebooks and tablets) and Desktop Computing had the biggest impact on Italy's negative performance: accounting for roughly 21.5% of the total turnover, together they registered a decrease of 23.2%. However, in this regard, it should be noted that the PC segment had reached record levels in the first half of 2021, in view of product availability and strong demand still encouraged by smart working and distance learning.
Smartphones too, the second most important category (17.3% of total revenues in Italy), slowed considerably (-7.5%) compared to the first six months of 2021.
As did printers and consumables, down by 5.6%.
By contrast, the monitors category reported the opposite trend, thanks in particular to the contribution of large format models (-175.2%), which recorded growth of 35.0%. Televisions, whose demand was sustained by Government concessions, reported an increase of 39.0%.
Lastly, it is important to note that, thanks in particular to investments by companies and the public administration connected with the National Recovery and Resilience Plan, the product categories connected with Software and the world of Data centres recorded significant increases of 17.6% and 5.9% respectively.
In Italy, the Group recorded a downturn in revenues of 7.3%, underperforming the market.
'Business' customers in the distribution market increased by 3.8% and Group revenues in this segment tracked this trend, while the 'retail' market segment declined by 16.3% and, in this case, the Group outperformed.

Spain

In the first half of 2022, the Spanish technology distribution market recorded growth of 0.8% compared to the same period of the previous year, with the quarter just closed up +3.6%, recovering the decrease of 1.9% registered in the first three months.
Albeit with a lower impact, also in Spain, the Mobile Computing (notebooks and tablets) and Desktop Computing categories, which together account for 20.5% of total revenues, saw their turnover decline (-9.0%).
Smartphones too, the second most important category (16.0% of total revenues in Spain), slowed (-7.9%) compared to the first six months of 2021.
A trend similar to the Italian market recorded also for printers and consumables, whose incidence on total revenues stood at 8.1% and the decrease was 5.1%.
As regards the monitors category, increases were instead recorded by desktop monitors (+5.5%) and large format displays (+33.9%). Note should also be taken of the increase in the sales of televisions: +150.6% compared to the same period of the previous year, thanks to the market results of the Spanish distribution of the Xiaomi brand.
The investments of companies and the public administration connected to NextGenEU were the driver of growth in the *Infrastructure* domain, where Software recorded an increase of 18.8% and products linked to the Data centre increased by +9.2%.
In Spain, the Group recorded growth of 4.1% in revenues, increasing its market share.
'Business' customers increased by 7.1% and the Group increased its share, while the 'retail' market segment declined by 9.2% and, in this segment, Group revenues almost tracked this trend.

Portugal

In the first half of 2022, the Portuguese technology distribution market mapped in the Context Panel grew by +7.9% compared with the same period in 2021, with the quarter just ended up +4.7%. The first quarter recorded an increase of 11.0%.
Unlike what happened in Italy and in Spain, in Portugal, Mobile Computing (notebooks and tablets) and Desktop Computing, which together account for 28.1% of total revenues, saw their turnover rise by 6.8%.
Smartphones too, which accounted 19.1% of the total revenues of the Portuguese distribution market, recorded a significant increase of +8.2%.
In the *Infrastructure* domain, although on the one hand, Software grew at a rate of 19.1%, Hardware (server, storage, networking and other products) declined by -7.9%.
In Portugal, the Group recorded growth of 20.8% in revenues, further increasing its market share.
'Business' customers registered growth of 17.6% and the Group underperformed the market; by contrast, the 'retail' market segment fell by 3.5% and the Group, whose revenues increased, outperforming the market, recorded a notable increase in its market share.

Group's results for the period

1. Summary of the Group's economic and financial results for the period

	6 months*							Q2**					
(euro/000)	**notes**	**2022**	**%**	**2021**	**notes**	**%**	***% var. 22/21***	**2022**	**%**	**2021**	**notes**	**%**	***% var. 22/21***
Profit & Loss													
Sales from contracts with customers		2,178,625	100.0%	2,236,823		100.0%	-3%	1,039,190	100.0%	1,070,785		100.0%	-3%
Gross profit		114,179	5.2%	116,791		5.2%	-2%	56,882	5.5%	60,898		5.7%	-7%
EBITDA	(1)	37,551	1.7%	41,717	(1)	1.9%	-10%	17,817	1.7%	21,419		2.0%	-17%
Operating income (EBIT)		29,069	1.3%	34,059		1.5%	-15%	13,452	1.3%	17,513		1.6%	-23%
Profit before income tax		24,796	1.1%	30,314		1.4%	-18%	11,017	1.1%	16,226		1.5%	-32%
Net income		18,032	0.8%	22,050		1.0%	-18%	7,958	0.8%	11,842		1.1%	-33%
Financial data													
Cash flow	(2)	26,514		29,708	(2)								
Gross investments		5,259		3,514									
Net working capital	(3)	410,910		(63,728)	(3)								
Operating net working capital	(4)	405,258		(75,832)	(4)								
Fixed assets	(5)	247,902		245,222	(5)								
Net capital employed	(6)	635,753		158,941	(6)								
Net equity		378,877		386,118									
Tangible net equity	(7)	268,458		275,390	(7)								
Net financial debt	(8)	256,876		(227,177)	(8)								
Main indicators													
Net financial debt / Net equity		0.7		(0.6)									
Net financial debt / Tangible net equity		1.0		(0.8)									
EBIT / Finance costs - net		6.8		9.1									
EBITDA / Finance costs - net		8.8		11.1									
Net financial debt/ EBITDA	(9)	3.2		(2.7)	(9)								
ROCE	(10)	12.9%		23.2%	(10)								
Operational data													
N. of employees at end-period		1,759		1,650									
Avarage number of employees	(11)	1,740		1,624	(11)								
Earnings per share (euro)													
- Basic		0.36		0.45			-20%	0.16		0.24			-33%
- Diluted		0.36		0.44			-18%	0.16		0.24			-33%

(*) Comparative financial data indicators are calculated on 31 December 2020 figures.
(**) Not subject to limited audit.

(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 lease liabilities, 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 between (i) operating profit (EBIT) net of 'non-recurring' components, the effects of IFRS 16 and taxes calculated at the effective tax rate of the latest set of annual consolidated financial statements published and, (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 earnings and financial results in the first half of 2022 and those of the relative periods of comparison have been drawn up according to International Financial Standards ('IFRS'), endorsed by the European Union and in force during the period.
These results were subject to a limited scope audit by the company PricewaterhouseCoopers S.p.A. with the exception of figures relating only to the second quarter.

In the chart above, in addition to the conventional economic and financial indicators laid down by IFRSs, some 'alternative performance indicators', although not defined by the IFRSs, are presented. These 'alternative performance indicators', consistently presented in previous periodic Group reports, are not intended to substitute IFRSs' 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 Article 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. Review of economic and financial results of the period

A) Esprinet Group's financial highlights

The Group's main earnings as at 30 June 2022 are hereby summarised:

(€/000)	H1 2022	H1 2021	% Var.	Q2 2022	Q2 2021	% Var.
Sales from contracts with customers	**2,178,625**	**2,236,823**	**-3%**	**1,039,190**	**1,070,785**	**-3%**
Cost of goods sold excl. factoring/securitisation	2,062,038	2,117,784	-3%	981,104	1,008,814	-3%
Financial cost of factoring/securisation(1)	1,801	1,750	3%	892	816	9%
Gross Profit(2)	**114,786**	**117,289**	**-2%**	**57,194**	**61,155**	**-6%**
Gross Profit %	*5.27%*	*5.24%*		*5.50%*	*5.71%*	
Personnel costs	44,914	42,592	5%	22,592	21,730	4%
Other operating costs	31,934	32,980	-3%	16,398	18,006	-9%
EBITDA adjusted(3)	**37,938**	**41,717**	**-9%**	**18,204**	**21,419**	**-15%**
EBITDA adjusted %	*1.74%*	*1.87%*		*1.75%*	*2.00%*	
Depreciation and amortisation	2,763	2,283	21%	1,399	1,147	22%
IFRS 16 Right of Use depreciation	5,719	5,375	6%	2,966	2,759	8%
Goodwill impairment	-	-	n/s	-	-	n/s
EBIT adjusted(3)	**29,456**	**34,059**	**-14%**	**13,839**	**17,513**	**-21%**
EBIT adjusted %	*1.35%*	*1.52%*		*1.33%*	*1.64%*	
Non recurring costs(4)	387	-	100%	387	-	100%
EBIT	**29,069**	**34,059**	**-15%**	**13,452**	**17,513**	**-23%**
EBIT %	*1.33%*	*1.52%*		*1.29%*	*1.64%*	
IFRS 16 interest expenses on leases	1,646	1,581	4%	844	790	7%
Other financial (income) expenses	1,265	1,294	-2%	626	701	-11%
Foreign exchange (gains) losses	1,362	870	57%	965	(204)	<100%
Profit before income taxes	**24,796**	**30,314**	**-18%**	**11,017**	**16,226**	**-32%**
Income taxes	6,764	8,264	-18%	3,059	4,384	-30%
Net income	**18,032**	**22,050**	**-18%**	**7,958**	**11,842**	**-33%**
- of which attributable to non-controlling interests	-	(78)	-100%	-	(53)	-100%
- of which attributable to the Group	**18,032**	**22,128**	**-19%**	**7,958**	**11,895**	**-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) Of which 0.4 million euro with reference to the first half of 2022, otherwise included in 'Other operating costs'.

Sales from contracts with customers amounted to 2,178.6 million euro, marking a decrease of -3% compared to 2,236.8 million euro recorded in the first half of 2021, showing a similar trend also for just the second quarter of 2022.

Gross profit stood at 114.8 million euro, marking a decrease of -2% compared to 117.3 million euro relating to the first half of 2021 as a result of the revenue performance. In fact, the percentage margin recorded a small improvement from 5.24% to 5.27%, also thanks to the greater incidence of high profit margin business lines, consistent with the Group's strategy. In the second quarter alone, gross profit, amounting to 57.2 million euro, recorded a decrease of -6% compared to the same period of the previous year, with a percentage margin down from 5.71% to 5.50%.

EBITDA Adjusted, amounting to 37.9 million euro, -9% compared to 41.7 million euro of the first half of 2021, is calculated gross of non-recurring costs, totalling 0.4 million euro, incurred by the parent company in relation to the start of the process targeted at the launch of the voluntary Public Tender Offer for all of the ordinary shares of the Italian company Cellularline S.p.A.. The incidence on Sales, down to 1.74% from 1.87% in the first half of 2021, felt the effects of the increase in operating costs, primarily a result of the trends linked to personnel flows. In the second quarter alone, Adjusted EBITDA, amounting to 18.2 million euro, recorded a reduction of -15% compared to the corresponding period of the previous year, with a percentage incidence of 1.75% compared to 2.00% in the second quarter of 2021.

EBIT Adjusted, gross of 0.4 million euro of non-recurring expenses mentioned above, came to 29.5 million euro, -14% compared to 34.1 million euro recorded in the first half of 2021, with a percentage incidence on Sales of 1.35%, down from 1.52% in the first half of 2021. In the second quarter of 2022 alone, Adjusted EBIT recorded a decrease of -21%, amounting to 13.8 million euro, with a percentage incidence on Sales of 1.33% compared to 1.64% in the second quarter of 2021.

EBIT, amounting to 29.1 million euro, recorded percentage variations in line with Adjusted EBIT as a result of the low amount of the aforementioned non-recurring items.

Profit before income taxes amounted to 24.8 million euro compared to 30.3 million euro in the first half of 2021, falling further with respect to EBIT owing to the negative trends in the euro/US dollar exchange rate which continued in the second quarter in particular, leading to a decrease of -32% compared to the same quarter of 2021.

Net income amounted to 18.0 million euro (22.1 million euro in the first half of 2021). In the second quarter, a decrease of 3.8 million euro was recorded compared with the corresponding quarter of the previous year.

The Group's main earnings, financial and net assets position as at 30 June 2022 are hereby summarised:

(euro/000)	30/06/2022	31/12/2021
Fixed assets	247,902	245,222
Operating net working capital	405,258	(75,832)
Other current assets/liabilities	5,652	12,104
Other non-current assets/liabilities	(23,059)	(22,553)
Total uses	**635,753**	**158,941**
Short-term financial liabilities	101,320	55,195
Lease liabilities	10,297	9,829
Current financial (assets)/liabilities for derivatives	-	2
Financial receivables from factoring companies	(1,080)	(3,128)
Current debts for investments in subsidiaries	1,015	1,854
Other current financial receivables	(10,450)	(9,857)
Cash and cash equivalents	(41,937)	(491,471)
Net current financial debt	59,165	(437,576)
Borrowings	94,528	106,531
Lease liabilities	102,468	102,253
Non - current debts for investments in subsidiaries	715	1,615
Net financial debt (A)	256,876	(227,177)
Net equity (B)	378,877	386,118
Total sources of funds (C=A+B)	**635,753**	**158,941**

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 significant fluctuations between quarters and when compared to the situation as at 31 December.

Net Invested Capital as at 30 June 2022 amounted to 635.8 million euro and was financed by:

- shareholders' equity, amounting to 378.9 million euro (386.1 million euro as at 31 December 2021);
- a negative net financial position of 256.9 million euro, a decrease compared to both 31 December 2021 (positive for 227.2 million euro) and 30 June 2021 (negative for 104.9 million euro).

The value of the exact net financial position is influenced by technical factors like the seasonality of the business, the trend in 'non-recourse' factoring of trade receivables (factoring, confirming and securitisation), the trend in the behavioural models of customers and suppliers in the different periods of the year, the support plans of the main suppliers in the seasonal peak periods. Therefore, it is not representative of the average levels of net financial indebtedness noted during the period. The aforementioned factoring and securitisation programmes, which define the complete transfer of risks and benefits to the assignees and therefore involve 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 payables as at 30 June 2022 of 382.3 million euro (561.0 million euro as at 31 December 2021 and 342.3 million euro as at 30 June 2021).

Equity and financial indicators confirm the strength of the Group.

B) Financial highlights by geographical area

B.1) Italian Subgroup

The Italian Subgroup's main earnings as at 30 June 2022 are hereby summarised:

(€/000)	H1 2022	H1 2021	% Var.	Q2 2022	Q2 2021	% Var.
Sales from contracts with customers	**1,335,913**	**1,437,595**	**-7%**	**627,343**	**685,208**	**-8%**
Cost of goods sold excl. factoring/securitisation	1,261,372	1,357,425	-7%	589,926	642,259	-8%
Financial cost of factoring/securisation(1)	902	1,082	-17%	381	529	-28%
Gross Profit(2)	**73,639**	**79,088**	**-7%**	**37,036**	**42,420**	**-13%**
Gross Profit %	*5.51%*	*5.50%*		*5.90%*	*6.19%*	
Personnel costs	28,347	27,428	3%	14,349	14,095	2%
Other operating costs	24,473	26,081	-6%	12,548	14,561	-14%
EBITDA adjusted(3)	**20,819**	**25,579**	**-19%**	**10,139**	**13,764**	**-26%**
EBITDA adjusted %	*1.56%*	*1.78%*		*1.62%*	*2.01%*	
Depreciation and amortisation	1,776	1,691	5%	890	855	4%
IFRS 16 Right of Use depreciation	4,216	3,936	7%	2,164	2,050	6%
Goodwill impairment	-	-	n/s	-	-	n/s
EBIT adjusted(3)	**14,827**	**19,952**	**-26%**	**7,085**	**10,859**	**-35%**
EBIT adjusted %	*1.11%*	*1.39%*		*1.13%*	*1.58%*	
Non recurring costs(4)	387	-	100%	387	-	100%
EBIT	**14,440**	**19,952**	**-28%**	**6,698**	**10,859**	**-38%**
EBIT %	*1.08%*	*1.39%*		*1.07%*	*1.58%*	

(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) Of which 0.4 million euro with reference to the first half of 2022, otherwise included in 'Other operating costs'.

Sales from contracts with customers amounted to 1,335.9 million euro, marking a decrease of -7% compared to 1,437.6 million euro recorded in the first half of 2021 (-8% with reference to solely the second quarter of 2022).

Gross profit totalled 73.6 million euro, marking a reduction of -7% compared to 79.1 million euro recorded in the first half of 2021, as a result of the trend in Sales, with the percentage margin instead in line with the corresponding period of the previous year. In the second quarter alone, gross profit, amounting to 37.0 million euro, recorded a decline of -13% compared to the same period of the previous year, with a percentage margin down from 6.19% to 5.90%.

EBITDA Adjusted, amounting to 20.8 million euro, -4.8 million euro compared to 25.6 million euro in the first half of 2021, is calculated gross of non-recurring costs of 0.4 million euro, incurred by the parent company in relation to the start of the process targeted at the launch of the voluntary Public Tender Offer for all of the ordinary shares of the Italian company Cellularline S.p.A.. The decline is less marked, in absolute terms, with respect to that registered at gross profit level (-5.5 million euro), thanks to the reduction in operating costs. In the second quarter alone, Adjusted EBITDA, amounting to 10.1 million euro, recorded a reduction of -26% compared to the corresponding period of the previous year, with a percentage incidence of 1.62% compared to 2.01% in the second quarter of 2021.

EBIT Adjusted, gross of 0.4 million euro of non-recurring expenses mentioned above, totalled 14.8 million euro, -26% compared to the first half of 2021, with a percentage incidence on Sales down to 1.11% from 1.39% in said previous period. In the second quarter of 2022 alone, Adjusted EBIT recorded a more marked decrease to 7.1 million euro, with a percentage incidence on Sales of 1.13% compared to 1.58% in the second quarter of 2021.

EBIT, amounting to 14.4 million euro, recorded more marked trends compared to Adjusted EBIT, as a result of the aforementioned non-recurring expenses.

The Italian Subgroup's main earnings as at 30 June 2022 are hereby summarised:

(euro/000)	30/06/2022	31/12/2021
Fixed assets	201,209	199,337
Operating net working capital	194,488	(61,426)
Other current assets/liabilities	21,451	30,725
Other non-current assets/liabilities	(10,489)	(10,800)
Total uses	**406,659**	**157,836**
Short-term financial liabilities	65,365	33,950
Lease liabilities	7,392	7,184
Current debts for investments in subsidiaries	1,015	1,854
Financial receivables from factoring companies	(1,080)	(3,128)
Financial (assets)/liab. from/to Group companies	(30,000)	(40,000)
Other current financial receivables	(10,449)	(9,857)
Cash and cash equivalents	(27,028)	(253,463)
Net current financial debt	5,215	(263,460)
Borrowings	47,153	48,515
Lease liabilities	82,560	82,931
Non - current debts for investments in subsidiaries	715	1,615
Net Financial debt (A)	135,643	(130,399)
Net equity (B)	271,016	288,235
Total sources of funds (C=A+B)	**406,659**	**157,836**

The net financial position was a negative 135.6 million euro, marking a decrease with respect to both the liquidity surplus of 130.4 million euro as at 31 December 2021, and the negative net financial position of 79.1 million euro as at 30 June 2021.

The value of the exact net financial position is influenced by technical factors like the seasonality of the business, the trend in 'non-recourse' factoring of trade receivables (factoring, confirming and securitisation), the trend in the behavioural models of customers and suppliers in the different periods of the year, the support plans of the main suppliers in the seasonal peak periods. Therefore, it is not representative of the average levels of net financial indebtedness noted during the half.
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 payables as at 30 June of 193.3 million euro (319.6 million euro as at 31 December 2021 and 211.8 million euro as at 30 June 2021).

B.2) Iberian Subgroup

The Iberian Subgroup's main earnings as at 30 June 2022 are hereby summarised:

(€/000)	H1 2022	H1 2021	% Var.	Q2 2022	Q2 2022	% Var.
Sales from contracts with customers	**860,611**	**816,325**	**5%**	**419,956**	**392,784**	**7%**
Cost of goods sold excl. factoring/securitisation	818,607	777,474	5%	399,284	373,787	7%
Financial cost of factoring/securisation[1]	899	668	35%	511	287	78%
Gross Profit[2]	**41,105**	**38,183**	**8%**	**20,161**	**18,710**	**8%**
Gross Profit %	*4.78%*	*4.68%*		*4.80%*	*4.76%*	
Personnel costs	16,567	15,165	9%	8,242	7,635	8%
Other operating costs	7,654	7,063	8%	3,962	3,496	13%
EBITDA adjusted[3]	**16,884**	**15,955**	**6%**	**7,957**	**7,579**	**5%**
EBITDA adjusted %	*1.96%*	*1.95%*		*1.89%*	*1.93%*	
Depreciation and amortisation	821	441	86%	418	247	69%
IFRS 16 Right of Use depreciation	1,503	1,439	4%	802	709	13%
Goodwill impairment	-	-	n/s	-	-	n/s
EBIT adjusted[3]	**14,560**	**14,075**	**3%**	**6,737**	**6,623**	**2%**
EBIT adjusted %	*1.69%*	*1.72%*		*1.60%*	*1.69%*	
Non recurring costs	-	-	n/s	-	-	n/s
EBIT	**14,560**	**14,075**	**3%**	**6,737**	**6,623**	**2%**
EBIT %	*1.69%*	*1.72%*		*1.60%*	*1.69%*	

(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 stood at 860.6 million euro, an increase of +5% compared with 816.3 million euro in the first half of 2021. In the second quarter alone, sales recorded an increase of +7% compared with the same period of the previous year.

Gross profit amounted to 41.1 million euro, an improvement of +8% compared to 38.2 million euro recorded in the first half of 2021, due to both higher sales realised and the improvement in the percentage margin from 4.68% to 4.78%. An equivalent trend was recorded in the second quarter alone, with an improved percentage margin from 4.76% to 4.80%.

EBITDA Adjusted, which coincides with EBITDA given that no non-recurring costs were recorded in the two periods being compared, amounted to 16.9 million euro, marking an increase of +6% compared to 16.0 million euro in the first half of 2021, driven by the improvement in gross profit despite the greater incidence of operating costs connected, in particular, to the personnel flow trends. In the second quarter alone, an increase of +5% was recorded compared with the corresponding quarter of the previous year.

EBIT Adjusted, which is the equivalent of EBIT, amounted to 14.6 million euro, marking an increase of + 3% compared to the first half of 2021, influenced by the amortisation of the Customer list recorded in September 2021 as part of the Purchase Price Allocation in relation to the acquisition of the former GTI Group. The incidence on Sales fell to 1.69% from 1.72% in the first half of 2021. In the second quarter alone, values increased by +2% compared with the second quarter of the previous year.

The Iberian Subgroup's main earnings as at 30 June 2022 are hereby summarised:

(euro/000)	30/06/2022	31/12/2021
Fixed assets	121,383	120,490
Operating net working capital	210,956	(14,151)
Other current assets/liabilities	(15,799)	(18,622)
Other non-current assets/liabilities	(12,570)	(11,753)
Total uses	**303,970**	**75,964**
Short-term financial liabilities	35,955	21,245
Lease liabilities	2,905	2,645
Current financial (assets)/liabilities for derivatives	-	2
Financial (assets)/liab. from/to Group companies	30,000	40,000
Cash and cash equivalents	(14,909)	(238,008)
Net current financial debt	53,951	(174,116)
Borrowings	47,375	58,016
Lease liabilities	19,908	19,322
Net Financial debt (A)	121,234	(96,778)
Net equity (B)	182,736	172,742
Total sources of funds (C=A+B)	**303,970**	**75,964**

The net financial position was a negative 121.3 million euro, marking a decrease compared to both the liquidity surplus of 96.8 million euro as at 31 December 2021, and the negative net financial position of 25.7 million euro as at 30 June 2021.

The value of the exact net financial position as at 30 June is influenced by technical factors like the seasonality of the business, the trend in 'non-recourse' factoring of trade receivables (factoring and confirming), the trend in the behavioural models of customers and suppliers in the different periods of the year, the support plans of the main suppliers in the seasonal peak periods. Therefore, it is not representative of the average levels of net financial indebtedness noted during the half.
The aforementioned programmes for the factoring and confirming of trade receivables, which define the complete transfer of risks and benefits to assignees and therefore allow the derecognition from balance sheet assets, determine an overall effect on the level of consolidated net financial payables as at 30 June of 189.0 million euro (241.4 million euro as at 31 December 2021 and 130.4 million euro as at 30 June 2021).

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)	H1 2022 Pre-IFRS16	H1 2021 Pre-IFRS16	% Var.
Sales from contracts with customers	**2,178,625**	**2,236,823**	**-3%**
Cost of goods sold excl. factoring/securitisation	2,062,038	2,117,784	-3%
Financial cost of factoring/securisation(1)	1,801	1,750	3%
Gross Profit(2)	**114,786**	**117,289**	**-2%**
Gross Profit %	*5.27%*	*5.24%*	
Personnel costs	44,914	42,592	5%
Other operating costs	38,777	38,952	0%
EBITDA adjusted(3)	**31,095**	**35,745**	**-13%**
EBITDA adjusted %	*1.43%*	*1.60%*	
Depreciation and amortisation	2,763	2,283	21%
IFRS 16 Right of Use depreciation	-	-	n/s
Goodwill impairment	-	-	n/s
EBIT adjusted(3)	**28,332**	**33,462**	**-15%**
EBIT adjusted %	*1.30%*	*1.50%*	
Non recurring costs(4)	387	-	100%
EBIT	**27,945**	**33,462**	**-16%**
EBIT %	*1.28%*	*1.50%*	
IFRS 16 interest expenses on leases	-	-	n/s
Other financial (income) expenses	1,265	1,294	-2%
Foreign exchange (gains) losses	1,362	870	57%
Profit before income taxes	**25,318**	**31,298**	**-19%**
Income taxes	6,855	8,478	-19%
Net income	**18,463**	**22,820**	**-19%**
- of which attributable to non-controlling interests	-	(78)	100%
- of which attributable to the Group	**18,463**	**22,898**	**-19%**

(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) Of which 0.4 million euro otherwise included in 'Other operating costs'.

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

(euro/000)	30/06/2022 Pre - IFRS 16	31/12/2021 Pre - IFRS 16
Fixed assets	139,725	137,316
Operating net working capital	405,258	(75,859)
Other current assets/liabilities	5,391	11,850
Other non-current assets/liabilities	(23,059)	(22,553)
Total uses	**527,315**	**50,754**
Short-term financial liabilities	101,320	55,195
Lease liabilities	-	-
Current financial (assets)/liabilities for derivatives	-	2
Financial receivables from factoring companies	(1,080)	(3,128)
Current debts for investments in subsidiaries	1,015	1,854
Other financial receivables	(10,450)	(9,857)
Cash and cash equivalents	(41,937)	(491,471)
Net current financial debt	48,868	(447,405)
Borrowings	94,528	106,531
Lease liabilities	-	-
Non-current debts for investments in subsidiaries	715	1,615
Net Financial debt (A)	144,111	(339,259)
Net equity (B)	383,204	390,013
Total sources of funds (C=A+B)	**527,315**	**50,754**

3. Sales trends by product family and customer type

(euro/million)	H1 2022	%	H1 2021	%	Var.	% Var.	Q2 2022	%	Q2 2021	%	Var.	% Var.
Retailers & E-Tailers	845.8	38.8%	945.3	42.3%	(99.5)	*-11%*	363.2	34.9%	464.2	43.3%	(101.0)	*-22%*
IT Resellers	1,454.4	66.8%	1,375.2	61.5%	79.2	*6%*	730.1	70.3%	650.5	60.8%	79.6	*12%*
IFRS15 and other adjustments *	(121.6)	-5.6%	(83.7)	-3.7%	(37.9)	*45%*	(54.1)	-5.2%	(43.9)	-4.1%	(10.2)	*23%*
Sales from contracts with customers	**2,178.6**	**100.0%**	**2,236.8**	**100.0%**	**(58.2)**	***-3%***	**1,039.2**	**100.0%**	**1,070.8**	**100.0%**	**(31.6)**	***-3%***

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

In the first six months of 2022, the market recorded growth of +6% in the Business Segment (IT Reseller) and a decrease of -12% in the Consumer Segment (Retailer, E-tailer). Group sales show a performance essentially in line with the market with respect to the same period of the previous year in the Business Segment (1,454.4 million euro, +6%) and slightly better in the Consumer Segment (845.8 million euro, -11%).

(euro/million)	H1 2022	%	H1 2021	%	Var.	% Var.	Q2 2022	%	Q2 2021	%	Var.	% Var.
PC (notebook, tablet, desktop, monitor)	765.8	35.2%	829.9	37.1%	(64.1)	*-8%*	364.8	35.1%	371.9	34.7%	(7.1)	*-2%*
Printing devices and supplies	180.3	8.3%	206.6	9.2%	(26.3)	*-13%*	88.7	8.5%	95.7	8.9%	(7.0)	*-7%*
Other IT products	170.9	7.8%	184.1	8.2%	(13.2)	*-7%*	84.2	8.1%	97.4	9.1%	(13.2)	*-14%*
Total IT Clients	**1,117.0**	**51.3%**	**1,220.6**	**54.6%**	**(103.6)**	***-8%***	**537.7**	**51.7%**	**565.0**	**52.8%**	**(27.3)**	***-5%***
Smartphones	553.6	25.4%	577.9	25.8%	(24.3)	*-4%*	241.7	23.3%	286.0	26.7%	(44.3)	*-15%*
White goods	46.2	2.1%	33.4	1.5%	12.8	*38%*	23.5	2.3%	20.5	1.9%	3.0	*15%*
Gaming hardware and software	12.0	0.6%	10.4	0.5%	1.6	*15%*	6.1	0.6%	6.4	0.6%	(0.3)	*-5%*
Other consumer electronics products	115.4	5.3%	70.3	3.1%	45.1	*64%*	51.6	5.0%	36.4	3.4%	15.2	*42%*
Total Consumer Electronics	**727.2**	**33.4%**	**692.0**	**30.9%**	**35.2**	***5%***	**322.9**	**31.1%**	**349.3**	**32.6%**	**(26.4)**	***-8%***
Hardware (networking, storage, server & others)	318.0	14.6%	246.8	11.0%	71.2	*29%*	162.2	15.6%	120.9	11.3%	41.3	*34%*
Software, Services, Cloud	138.0	6.3%	161.1	7.2%	(23.1)	*-14%*	70.5	6.8%	79.5	7.4%	(9.0)	*-11%*
Total Advanced Solutions	**456.0**	**20.9%**	**407.9**	**18.2%**	**48.1**	***12%***	**232.7**	**22.4%**	**200.4**	**18.7%**	**32.3**	***16%***
IFRS15 and other adjustments *	(121.6)	-5.6%	(83.7)	-3.7%	(37.9)	*45%*	(54.1)	-5.2%	(43.9)	-4.1%	(10.2)	*23%*
Sales from contracts with customers	**2,178.6**	**100.0%**	**2,236.8**	**100.0%**	**(58.2)**	***-3%***	**1,039.2**	**100.0%**	**1,070.8**	**100.0%**	**(31.6)**	***-3%***

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

An analysis of the details of the product categories shows that the *IT Clients* segment recorded a decrease of -8% for the Group, where all categories reported a decline: PCs (-8%), Printers and consumables (-13%) and Other products, i.e. components and accessories (-7%). According to Context data, in the first half of 2022, the IT Clients market also reported a decrease of 8%, where PCs, due in particular to weak demand in the consumer area, recorded a decline of -14% and Printers and consumables a drop of -5%.
By contrast, the *Consumer Electronics* segment saw the Group grow by 5%, despite Smartphone Sales dropping by 4%. This decline is actually more than offset by the highly positive performances of Household appliances (+38%), Gaming (+15%) and Other products (+64%), whose perimeter also incorporates televisions. Hence the Group strengthened its market share in this segment; indeed, according to Context data, in the distribution panel, in the first six months of 2022, the Consumer Electronics segment dropped by -2%, essentially due to the slowdown in Smartphones (-6%), not offset by the increases in Gaming (+31%), Household Appliances (+13%) and Other products (+4%).
In the *Advanced Solutions* segment, the Group, outperforming the market growth (+10%), again according to the data of the UK research company Context, registered an increase of 12% in sales, rising to 456.0 million euro, compared to 407.9 million euro in the January-June 2021 period. Note should also be taken of ESPRINET's performance in the XaaS ('Everything as a Service') area, whose sales stood at 77.5 million euro in the first six months of 2022 (+23%).
In line with the Group's strategy of focusing on high profit margin business lines, the incidence of the Advanced Solutions sales rose to 21% (20% in the first three months of 2022 and 18% in the first half of 2021).

Significant events occurring in the period

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

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

The Ordinary and Extraordinary Shareholders' Meeting of Esprinet S.p.A. was held on 14 April 2022, which, as regards the various items on the agenda:

<u>Ordinary session:</u>

- approved the financial statements for the year ended 31 December 2021, allocating 18.5 million euro of the net income realised to increase the extraordinary reserve;
- resolved the distribution of a dividend of 0.54 euro per share, excluding own shares in the portfolio as at 25 April 2022;
- acknowledged the Consolidated Financial Statements and the Sustainability Report as at 31 December 2021;
- approved the Report on Remuneration;
- authorised the purchase of own ordinary shares for 18 months from the approval date and, nonetheless, up to a maximum limit of 5% of the Company's share capital;
- approved the integration of the remuneration of the independent auditors following the expansion of the consolidation scope and the auditing of the ESEF financial statements.

<u>Extraordinary session:</u>

- approved the cancellation of 516,706 own ordinary shares in the Company's portfolio, acquired in implementation of the Shareholders' Meeting resolution of 7 April 2021, with no reduction of share capital.

Non-binding expression of interest aimed at promoting a public tender offer for all of the ordinary shares of Cellularline S.p.A.

For the purposes of a more organic and comprehensive understanding of the event in question and its evolution over time, please refer to the section 'Voluntary Public Tender Offer for the shares of Cellularline S.p.A.' referred to in the section 'Subsequent events'.

Cancellation of own shares on hand

On 10 May 2022, the resolution of cancelling 516,706 own shares on hand was filed at the Register of Companies of Milan, Monza Brianza and Lodi, with no reduction in the share capital of Esprinet S.p.A. in compliance with the Extraordinary Shareholders' Meeting held on 14 April 2022.

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 authorities are now claiming VAT from the Company on those sales transactions.

The total value of the aforementioned disputes amounts to 25.2 million euro plus penalties and interest, in relation to which 32.1 million euro, in the form of an all-inclusive amount, has already been paid, as envisaged by the administrative procedure, pending the final judgement, and booked to the financial statements under the item 'Other tax receivables'.

As part of the aforementioned disputes, on 28 February 2022, a negative ruling was filed pertaining to the second instance hearing held on 14 February 2022 relating to a dispute concerning the 2013 tax year (disputed tax equal to 14.5 million euro). With the support of its advisors, Esprinet filed an appeal against this ruling to the Court of Cassation on 23 May 2022.

Subsequent events

Relevant events occurred after period end are briefly described below:

Voluntary Public Tender Offer for the shares of Cellularline S.p.A.

On 6 May 2022, Esprinet S.p.A., in line with the provisions of its 2022-24 Strategic Plan, sent to the Board of Directors of Cellularline S.p.A., an Italian company listed on Euronext STAR Milan, a non-binding expression of interest aimed at promoting a voluntary public tender offer concerning all the ordinary shares of the company, targeted at its delisting (the '**OPA**' or '**Public Tender Offer**').

On 19 July 2022, following certain limited due diligence activities, Esprinet S.p.A.'s Board of Directors confirmed its interest in carrying out the transaction, at a consideration of 3.75 euro per share, taking into account that, in the meantime, Cellularline's shareholders' meeting had resolved to distribute 0.16 euro per share to the shareholders (corresponding to the dividend in kind and in cash approved by Cellularline S.p.A.'s shareholders' meeting on 27 April 2022 and already paid out).

On the same date, i.e. 19 July 2022, it was announced that the transaction would have been conducted through the wholly-owned subsidiary 4Side S.r.l. (the '**Offerer**').

On 6 September 2022, CONSOB, having completed the preliminary investigation activities required by the legislation, approved the offer document for the purposes of the Public Tender Offer, subsequently published in accordance with the legal terms on 8 September 2022.

The Public Tender Offer is subject to the verification of given effectiveness conditions, outlined in the offer document; these conditions (including a threshold condition and a MAC condition) may be waived or modified by the Offerer, in respect of the legislation in force, in accordance with the terms indicated in the offer document.

In order to cover the financial requirements stemming from the payment obligations connected with the voluntary Public Tender Offer, calculated in the assumption of the full acceptance of the Public Tender Offer by all shareholders and, therefore, equal to the maximum outlay, the Offerer will use the shareholders' loans provided by Esprinet S.p.A., which can be converted to capital contributions and/or other shareholders' equity contributions.

In turn, Esprinet S.p.A. will obtain the funds for said contributions through the disbursement in its favour, based on the extent and the proportions established by Esprinet S.p.A. close to the date of payment of the consideration, of a cash loan of up to 120.0 million euro. In addition, Esprinet S.p.A. will be able to call on an additional cash credit facility of up to 35.0 million euro in order to wholly or partly refinance Cellularline's financial indebtedness.

Strengthening and renewal of the financial structure

On 29 July 2022 and 31 August 2022, Esprinet S.p.A. stipulated an amortising 3-year loan agreement with two pools of domestic and international banks for a maximum amount of 155.0 million euro and an unsecured 3-year RCF-Revolving Credit Facility for 180.0 million euro.

The loan agreement for a maximum amount of 155.0 million euros is aimed, inter alia, at supporting the potential voluntary public tender offer for all of the ordinary shares of Cellularline S.p.A., through the wholly-owned subsidiary 4Side S.r.l., and meeting any needs for the replacement of the committed indebtedness structure of said entity.

The RCF of 180.0 million euro represents the natural replacement of the three-year RCF signed on 30 September 2019, given it is targeted, like the latter, at supporting the Group's working capital and business development requirements.
The amount of the loan is higher than the 152.5 million euro of the previous RCF based on the greater subscription offers received by the banks which, taking account of the integration operations concluded between some of them in the meantime, are the same ones that made up the previous pool.

The two loans are both secured by a structure of financial covenants typical for these types of transactions, as well as the usual 'negative pledge', 'pari passu' and similar clauses.
The economic-financial covenants are as follows:
- ratio of net financial indebtedness to EBITDA;
- ratio of extended net financial indebtedness to Equity;
- ratio of EBITDA to net financial charges;
- absolute amount of gross financial indebtedness.

Both pools of financing banks are composed of Intesa Sanpaolo S.p.A., Unicredit S.p.A., Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A. and Crédit Agricole Italia S.p.A. while Caixabank S.A. and Banca Monte dei Paschi di Siena S.p.A. are also involved in the RCF disbursing pool.

Previously, on 27 May 2022 and 16 June 2022, Esprinet S.p.A., as part of the consolidation and periodic renewal of its sources of committed financing, had subscribed two additional unsecured amortised 3-year loans of 8.0 million euro and 5.0 million euro (principal) with domestic banks.

Merger by incorporation of Vinzeo Technologies S.A.U. in Esprinet Ibérica S.L.U.

A deed of merger by incorporation in Esprinet Iberica S.L.U. of its wholly-owned subsidiary Vinzeo Technologies S.A.U. was signed on 4 August 2022.
The transaction falls under the process of maximising the commercial and operating synergies between the two companies, with Vinzeo Technologies S.A.U. operating primarily in the distribution of PCs (notebooks, tablets, desktops, monitors) and consumer electronics, both also subject to the activities of the parent company Esprinet Iberica S.L.U..
The merger takes effect from 1 September 2022 for legal purposes, the date on which Esprinet Iberica S.L.U. took over all the legal relationships of Vinzeo Technologies S.A.U., therefore assuming all its rights and obligations prior to the merger.
The accounting and tax effects of the merger are instead backdated to 1 January 2022.

Relationships with related parties

Group operations with related parties, as defined by IAS 24, were effected in compliance with current laws and according to mutual economic advantage.
Any products sold to individuals were sold under the same conditions as those usually applied to employees.
Transactions between the parent company Esprinet S.p.A. and its subsidiaries included in the scope of consolidation were de-recognised in the interim consolidated financial statements and therefore do not appear in this section.

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

It should be noted that, in the first half of this year, there were no transactions of 'greater importance' as defined by the 'Procedure for the discipline of Transactions with Related Parties', approved by the Board of Directors of Esprinet S.p.A. in compliance with CONSOB resolution no. 17221 of 12 March 2010, as amended and supplemented, which came into force on 1 January 2011.

Relationships with 'other related parties'

(euro/000)	Type	H1 2022				H1 2021			
		Sales	Cost	Receivable	Payable	Sales	Cost	Receivable	Payable
Sales									
Key managers and family	Sales of goods	2	-	2	-	10	-	7	-
Subtotal		**2**	**-**	**2**	**-**	**10**	**-**	**7**	**-**
Cost of Sales									
Smart Res S.p.A.	Cost of goods	-	-	-	-	-	6	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**	**6**	**-**	**-**
Overheads and administrative cost									
Key managers and family	Overheads	-	(2)	-	-	-	(1)	-	-
Subtotal		**-**	**(2)**	**-**	**-**	**-**	**(1)**	**-**	**-**
Total		**2**	**(2)**	**2**	**-**	**10**	**5**	**7**	**-**

* Gross value.

The aforementioned table details operations occurred between Group companies and: - companies where Esprinet S.p.A. directors and shareholders play important roles; - key managers and their close members of the family.
Sales relate to consumer electronics products sold under normal market conditions.

The total value of the aforementioned transactions is not material compared with the total volume of the Group's activities.

Main risks and uncertainties

Esprinet Group activities are exposed to risk factors that may influence its economic and financial situation.
The Group identifies, assesses and manages risks in compliance with internationally recognised models and techniques such as the Enterprise Risk Management - Integrated Framework (CoSo 3).
The identification of key risks has enabled their classification in the following categories:

- strategic risks;
- operational risks;
- compliance risks;
- financial risks.

A brief description of the main risks follows for each category identified, along with the response actions implemented to keep risk levels within acceptable thresholds for the Group.

Strategic risks include mainly the following: criticality in the ability to plan and implement strategic actions in a systematic and coordinated manner, and inadequacies as regards the following: the response to unfavourable macroeconomic scenarios, the response to changes in the needs of customers and suppliers, the management of the process of analysis/reaction to price trends (deflationary trends), the evaluation of M&A transactions and processes of integration with acquired companies, the reaction to the market initiatives of competitors and new entrants/the vulnerability in the ability to recognise and respond to competitive threats.
Protection against strategic risks is usually linked to the quality of strategic planning processes and to the generation of new ideas and/or the validation of existing management models, to the frequency and effectiveness of business reviews and to the availability of competitive analysis

methods and tools and the ability to correctly identify, analyse and interpret the sector, economic and market macro-trends.

Operating risks include primarily: the interruption of logistics, storage and transport services, the dependence on IT and 'web' systems and on key suppliers, inefficient management of stock and inventory turnover and of the 'pricing' and discount policies with a subsequent reduction in the company margin. This category also incorporates risks linked to criticalities relating to management of international trade, customers and the inability to provide them with adequate service/support levels.
Operational risks are typically defended against by a mixture of rules and procedures aimed at guaranteeing adequate prevention from risky events, as well as by insurance tools and business continuity and disaster recovery plans aimed at minimising any possible financial impact of the risky events. The stipulation of contracts to protect the Group, its assets and profitability also represent tools for controlling operating risks. Furthermore, in order to maximise 'Customer Satisfaction' and optimise the customer relationship, a special work group continues to operate, whose job is to analyse the matter and define new measures/tools to be introduced to reach said objectives. Lastly, the Group is structured on the basis of internal personnel, external advisors and dedicated software in order to best manage the aspects related to international trade, in compliance with the legislation in force.

Compliance risks: this type of risks concerns the possible violation of legislation, laws and regulations, including of a tax nature, which are applicable to the Group and the business in which it operates (please see paragraph '*Developments of disputes of Esprinet S.p.A. and of the Group*', point 26 '*Non-current provisions and other liabilities*' in the '*Notes to the condensed consolidated half-year financial statements*').
These risks are mainly guarded against by an external structure made up of professionals who also guarantee that internal administrative resources are updated on new laws and regulations of any possible interest to the Group. Other mitigation tools include the drafting of the appropriate procedures and the implementation of specific control activities.

Financial risks incorporate: credit, liquidity and market risk. Credit risk management strategies are as follows:

- in the case of cash and cash equivalents and financial derivatives, by the choice of leading national and international banks;
- in the case of trade receivables, within the limits of the ceiling negotiated and with the aim of optimising the balance of costs and benefits, by the transfer of the risk to leading insurance and/or factoring firms, as well as the application of special checking procedures regarding the assignment and periodical revision of lines of credit to customers, and the requirement of collateral in the case of customers whose ratings are insufficient to guarantee operations.

Liquidity risk management hinges on cash-flow planning and also on the maintenance of consistent amounts of unused lines of credit in Italy, Spain and Portugal of a mainly self-liquidating nature, and is aided by a conservative financial policy favouring stable financing sources including that for financing working capital.

Market risk (composed primarily of currency and interest rate risk), less relevant for the Group with respect to credit and/or liquidity risk, is mitigated, as regards the currency aspect, through spot hedges of individual purchases in foreign currency, and in relation to interest rates via hedging instruments like 'IRS-Interest Rate Swap', however not used today in consideration of the extremely low risk deriving from the largely fixed-rate composition of medium/long-term financial indebtedness.

Macroeconomic context

During the first half of 2022, the health emergency resulting from the COVID-19 pandemic, which characterised the macroeconomic and social context in the previous two years, was resolved. Therefore, the majority of the restrictions adopted by the various Governments were lifted, with the exception of the People's Republic of China where, as part of a 'zero COVID' policy, lockdowns and quarantines continued, which helped fuel a not insignificant lengthening of delivery times and product shortages, especially for the business segments most dependent on the supplies of Chinese components, as computer and electronics products typically are.

The European macroeconomic context in the first half of 2022 was also influenced by the international geopolitical tensions stemming from the outbreak of the armed conflict between Ukraine and the Russian Federation on 24 February 2022, in respect of which there are no signs to suggest that it will be resolved quickly.
The conflict saw the European Union impose restrictions and sanctions on transactions with Russian individuals and legal entities, on exports to the country of 'dual use' goods and technologies or of particular importance in the energy and natural gas extraction and liquefaction sector, including the exclusion of major Russian banks from the SWIFT international financial system (measures with negligible effects on the Esprinet Group and on its business performance).
In response, the Russian Federation has cut supplies of natural gas and obstructed Ukraine's export of wheat and cereals of which the country is one of the main producers, helping to fuel the increase in inflation.

The main central banks, including the European Central Bank, therefore reversed their monetary policy stance, starting to adopt restrictions firstly with the announcement, and then the actual application (after 30 June in relation to the European Central Bank) of repeated hikes in interest rates.

The impact of these aspects and tensions on the Esprinet Group was limited, nonetheless, given the Group is not present on the markets of the countries currently involved in the conflict. Its geographically diversified network of suppliers meant it was not dependant on products imported by Russian entities, also given it is not an 'energy-intensive' company.

The business outlook for the second half of 2022, based on the current macroeconomic context, will continue to be impacted by the risks and uncertainties dependant on factors out of the control of the Group.
Owing to the reasons outlined previously and in consideration of the opportunity stemming from the need for the adaptation of information systems and their protection from cyber attacks on the part of private businesses, the launch of technological upgrade projects of the Public Administration financed by the National Recovery and Resilience Plan in Italy and the national Development plans financed by NextGenEU for the other countries of operation of the Group, the management estimates that the Group, in the absence of additional or more profound external shocks, will be able to achieve the pre-established objectives.
It will also monitor the developments of the crisis and pay the utmost attention to business continuity plans and the risk of cyber attacks, intensifying the monitoring activities and the risk mitigation measures, also in order to identify any impacts that are not foreseeable at present.

Other significant information

1. Research and development activities

The research and development of EDP and 'Web' activities are related to the definition and planning of new processes and services relating to the IT platform used by the Group, which is at customers' and suppliers' disposal for information communication as well as for the management of sales and purchase orders. These costs were entirely recorded in the income statement, mainly among the costs of the respective departments.

2. Number and value of own shares

At the date of the close of this interim report on operations, Esprinet S.p.A. holds 1,011,318 own ordinary shares, equal to 2.01% of share capital, fully to fulfil the obligations stemming from the 'Long-Term Incentive Plan 2021-2023', approved by the Shareholders' Meeting on 7 April 2021.

At the date of the close of the 2021 annual financial report, Esprinet S.p.A. held an additional 516,706 own ordinary shares, for a total of 1,528,024 shares, equal to 3.0% of the share capital, cancelled on 10 May 2022 in fulfilment of the resolution of the Shareholders' Meeting of Esprinet S.p.A. of 14 April 2022.
The programme involving the buying and subsequent cancellation of own shares in issue therefore represents an opportunity for the Company to award its shareholders extra compensation on top of dividend distribution.

3. 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.

4. Share incentive plans

Within the scope of share incentive policies aimed at strengthening the loyalty of executives deemed essential for the purpose of achieving the Group operating targets, on 7 April 2021 Esprinet S.p.A. Shareholders' Meeting approved a new Compensation Plan ('Long-Term Incentive Plan') for the benefit of the members of the Board of Directors and executives of Group companies, as proposed by the Remuneration Committee. Such plan will apply for the 2021-2023 three-year period with the purpose of granting a maximum of 1,150,000 rights of free stock grants of Esprinet S.p.A. ordinary shares.
This 'compensation plan' is structured into two components:

- 'Basic' component, whose conditions for exercise relate to the attainment of the Economic-Financial Performance and ESG (Environmental, Social, Governance) Performance objectives in the 2021-2023 three-year period;
- 'Double Up' component, whose conditions for exercise relate to the achievement of the objectives of value growth of Esprinet S.p.A. in terms of stock market capitalisation at the end of the 2021-2023 three-year period.

Also, for both components to be exercised, the beneficiary must remain in the Group until the date of presentation of the consolidated financial statements for 2023.

On 22 April 2021, in execution of the aforementioned resolution of the Shareholders' Meeting, 1,011,318 rights were assigned free of charge, of which 191,318 relating to the 'Basic' component and 820,000 to the 'Double Up' component.

Further information can be found in the '*Notes to the Condensed Consolidated Half-Year Financial Statement*', paragraph '*Labour costs and number of employees*'.

5. Reconciliation of equity and Group result and corresponding values of the parent company

In compliance with CONSOB communication No. DEM/6064293 of 28 July 2006 the reconciliation between Group equity and result of the period together with the relative data of the parent company, Esprinet S.p.A., is illustrated in the table below:

(euro/000)	Net income		Equity	
	30/06/22	30/06/21	30/06/22	31/12/21
Esprinet S.p.A. separate financial statements	**6,195**	**9,144**	**258,369**	**277,555**
Consolidation adjustments:				
Net equity and result for the year of consolidated companies net of minority interests	11,914	13,160	210,261	198,173
Esprinet S.p.A. 's investments in consolidated subsidiaries carryng amount	-	-	(93,115)	(92,923)
Goodwill from Esprinet Iberica S.L.U. business combination	-	-	1,039	1,039
Goodwill from 4Side S.r.l. business combination	-	-	121	121
Goodwill from Dacom S.p.A. business combination	-	-	113	113
Income from idMAINT S.r.l. business combination	-	167	-	-
Deletion of non-realised (profit)/loss on inventory, net of fiscal effect	49	44	(124)	(173)
Deletion of subsidiaries dividend	-	(465)	-	-
Subsidiaries's risk provision deletion	-	-	791	791
Investments in subsidiaries write-down deletion	-	-	555	555
Other movements	(126)	-	867	867
Consolidated net equity and net result	**18,032**	**22,050**	**378,877**	**386,118**

Outlook and main risk factors in the second half of the year

As outlined at the time of the budget, in the first few days of the year, the market was hit by major product shortage issues, compared, by contrast, with the first six months of 2021 that had enjoyed normal supplies.
In the next half, the market should have largely resolved product availability issues, however, the Group continues to be prudent with respect to the risk of a return to lockdown linked to a fresh outbreak of the pandemic in China and the consequent potential impacts on the supply chain.
The Group also remains vigilant in light of the significant uncertainties in the macroeconomic context at present, characterised by the persistent volatility of the energy market and the geopolitical conflicts at international level.
In this market scenario characterised by reduced purchase power and a decline in consumer confidence indexes, the Group continues to carefully monitor the evolution of the real and potential impacts on short-term prospects. Demand for PCs slowed, especially in Italy and in the consumer segment in particular, and is expected to probably tail off further to values higher, nonetheless, than 2019 but lower than those of 2020 and 2021.
The IT investments of private firms and the public administration, sustained by the national recovery and resilience plans, will instead continue to be a key element of organisations' digital transformation agenda in southern Europe, allowing them to boost their stability and competitiveness in an uncertain scenario.
The Group also recorded significant growth in sales, product profit margins and Adjusted EBITDA in July and August with respect to the same period of the previous year, both in percentage and absolute terms, and at the date of publication of this press release, the month of September reported steadily better sales results than in 2021.
In light of the above, based on the plans discussed with the main manufacturers and customers, and based on the best estimates currently available, despite being influenced by significant macroeconomic uncertainty, the Group therefore believes it can confirm the Adjusted EBITDA target for 2022 of more than 93 million euro.

Vimercate, 13 September 2022

On behalf of the Board of Directors
The Chairman
Maurizio Rota

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)	Notes	30/06/2022	related parties*	31/12/2021	related parties*
ASSETS					
Non-current assets					
Property, plant and equipment	1	16,634		13,856	
Right-of-use assets	4	107,685		107,504	
Goodwill	2	102,200		102,200	
Intangible assets	3	8,218		8,527	
Deferred income tax assets	6	10,837		10,713	
Receivables and other non-current assets	9	2,328	-	2,422	-
		247,902	-	**245,222**	-
Current assets					
Inventory	10	780,981		529,502	
Trade receivables	11	506,397	2	585,522	5
Income tax assets	12	1,177		310	
Other assets	13	61,893	-	70,330	-
Cash and cash equivalents	17	41,937		491,471	
		1,392,385	2	**1,677,135**	5
Total assets		**1,640,287**	2	**1,922,357**	5
EQUITY					
Share capital	19	7,861		7,861	
Reserves	20	352,984		334,074	
Group net income	21	18,032		44,183	
Group net equity		**378,877**		**386,118**	
Non-controlling interests		-		-	
Total equity		**378,877**		**386,118**	
LIABILITIES					
Non-current liabilities					
Borrowings	22	94,528		106,531	
Lease liabilities	31	102,468		102,253	
Deferred income tax liabilities	24	15,885		14,784	
Retirement benefit obligations	25	4,759		5,232	
Debts for investments in subsidiaries	49	715		1,615	
Provisions and other liabilities	26	2,415		2,537	
		220,770		**232,952**	
Current liabilities					
Trade payables	27	882,120	-	1,190,856	-
Short-term financial liabilities	28	101,320		55,195	
Lease liabilities	36	10,297		9,829	
Income tax liabilities	29	1,589		4,287	
Derivative financial liabilities	30	-		2	
Debts for investments in subsidiaries	51	1,015		1,854	
Provisions and other liabilities	32	44,299	-	41,264	-
		1,040,640	-	**1,303,287**	-
Total liabilities		**1,261,410**	-	**1,536,239**	-
Total equity and liabilities		**1,640,287**	-	**1,922,357**	-

(*) For further details on related parties, see the related section in the '*Interim Directors' Report on Operations*'.

Consolidated income statement

Below is the consolidated separate income statement, showing Sales by *'function'* in accordance with the IFRS, supplemented with the additional disclosure required under CONSOB Resolution No. 15519 of 27 July 2006, whose data relating solely to the second quarter are not subject to a limited scope audit:

(euro/000)	Notes	H1 2022	non-recurring	related parties*	H1 2021	non-recurring	related parties*
Sales from contracts with customers	**33**	**2,178,625**	**-**	2	**2,236,823**	**-**	10
Cost of sales		(2,064,446)	-	-	(2,120,032)	-	(6)
Gross profit	**35**	**114,179**	**-**		**116,791**	**-**	
Sales and marketing costs	**37**	(36,341)	-	-	(34,969)	-	-
Overheads and administrative costs	**38**	(48,802)	(387)	2	(47,904)	-	1
Impairment loss/reversal of financial assets	**39**	33	-		141	-	
Operating income (EBIT)		**29,069**	**(387)**		**34,059**	**-**	
Finance costs - net	**42**	(4,273)	-	-	(3,745)	-	-
Profit before income taxes		**24,796**	**(387)**		**30,314**	**-**	
Income tax expenses	**45**	(6,764)	108	-	(8,264)	-	-
Net income		**18,032**	**(279)**		**22,050**	**-**	
- of which attributable to non-controlling interests		-			(78)		
- of which attributable to Group		18,032	(279)		22,128	-	
Earnings per share - basic (euro)	**46**	0.36			0.45		
Earnings per share - diluted (euro)	**46**	0.36			0.44		

(euro/000)	Notes	Q2 2022	non-recurring	related parties*	Q2 2021	non-recurring	related parties*
Sales from contracts with customers	**33**	**1,039,190**	**-**	(11)	**1,070,785**	**-**	7
Cost of sales		(982,308)	-	-	(1,009,887)	-	(6)
Gross profit	**35**	**56,882**	**-**		**60,898**	**-**	
Sales and marketing costs	**37**	(18,561)	-	-	(18,877)	-	-
Overheads and administrative costs	**38**	(24,689)	(387)	1	(24,669)	-	-
Impairment loss/reversal of financial assets	**39**	(180)	-		161	-	
Operating income (EBIT)		**13,452**	**(387)**		**17,513**	**-**	
Finance costs - net	**42**	(2,435)	-	-	(1,287)	-	-
Profit before income taxes		**11,017**	**(387)**		**16,226**	**-**	
Income tax expenses	**45**	(3,059)	108	-	(4,384)	-	-
Net income		**7,958**	**(279)**		**11,842**	**-**	
- of which attributable to non-controlling interests		-	-		(53)	-	
- of which attributable to Group		7,958	(279)		11,895	-	
Earnings per share - basic (euro)	**46**	0.16			0.24		
Earnings per share - diluted (euro)	**46**	0.16			0.25		

(*) Emoluments to key managers are excluded. Further information on operation with Related Parties can be found in the relevant section in the 'Interim Directors' Report on Operations'.

Consolidated statement of comprehensive income

(euro/000)	H1 2022	H1 2021	Q2 2022	Q2 2021
Net income	**18,032**	**22,050**	**7,958**	**11,842**
Other comprehensive income:				
- Changes in translation adjustment reserve	(4)	19	8	20
Other comprehensive income not to be reclassified in the separate income statement				
- Changes in 'TFR' equity reserve	421	146	413	170
- Taxes on changes in 'TFR' equity reserve	(101)	(35)	(99)	(41)
Other comprehensive income	**316**	**130**	**322**	**149**
Total comprehensive income	**18,348**	**22,180**	**8,280**	**11,991**
- of which attributable to Group	18,348	22,250	8,280	11,926
- of which attributable to non-controlling interests	-	(70)	-	65

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 2020	**7,861**	**354,110**	**(4,800)**	**31,792**	**388,963**	**2,095**	**386,868**
Total comprehensive income/(loss)	**-**	**130**	**-**	**22,050**	**22,180**	**(70)**	**22,250**
Allocation of last year net income/(loss)	-	31,792	-	(31,792)	**-**	-	**-**
Dividend payment	-	(27,234)	-	-	**(27,234)**	(447)	**(26,787)**
Purchases of own shares	-	-	(19,859)	-	**(19,859)**	-	**(19,859)**
Transactions with owners	**-**	**4,558**	**(19,859)**	**(31,792)**	**(47,093)**	**(447)**	**(46,646)**
Grant of share under share plans	-	(4,065)	4,396	-	**331**	-	**331**
Currently active Share plans	-	353	-	-	**353**	-	**353**
Other variations	-	9	-	-	**9**	-	**9**
Balance at 30 June 2021	**7,861**	**355,095**	**(20,263)**	**22,050**	**364,743**	**1,578**	**363,165**
Balance at 31 December 2021	**7,861**	**354,440**	**(20,263)**	**44,080**	**386,118**	**-**	**386,118**
Total comprehensive income/(loss)	-	316	-	18,032	**18,348**	-	**18,348**
Allocation of last year net income/(loss)	-	44,080	-	(44,080)	**-**	-	**-**
Dividend payment	-	(26,679)	-	-	**(26,679)**	-	**(26,679)**
Acquisition and deletion of Esprinet own shares	-	(6,933)	6,933	-	**-**	-	**-**
Transactions with owners	**-**	**10,468**	**6,933**	**(44,080)**	**(26,679)**	**-**	**(26,679)**
Equity plans in progress	-	1,058	-	-	**1,058**	-	**1,058**
Other variations	-	32	-	-	**32**	-	**32**
Balance at 30 June 2022	**7,861**	**366,314**	**(13,330)**	**18,032**	**378,877**	**-**	**378,877**

Consolidated statement of cash flows[1]

(euro/000)	H1 2022	H1 2021
Cash flow provided by (used in) operating activities (D=A+B+C)	**(447,544)**	**(316,190)**
Cash flow generated from operations (A)	**38,409**	**41,774**
Operating income (EBIT)	29,069	34,059
Income from business combinations	-	(168)
Depreciation, amortisation and other fixed assets write-downs	8,481	7,657
Net changes in provisions for risks and charges	(122)	(147)
Net changes in retirement benefit obligations	(77)	(310)
Stock option/grant costs	1,058	683
Cash flow provided by (used in) changes in working capital (B)	**(474,833)**	**(354,436)**
Inventory	(251,479)	(119,757)
Trade receivables	79,125	130,414
Other current assets	6,115	(19,196)
Trade payables	(309,003)	(340,218)
Other current liabilities	409	(5,679)
Other cash flow provided by (used in) operating activities (C)	**(11,120)**	**(3,528)**
Interests paid	(2,063)	(2,078)
Received interests	62	29
Foreign exchange (losses)/gains	(1,095)	(528)
Income taxes paid	(8,024)	(951)
Cash flow provided by (used in) investing activities (E)	**(5,137)**	**(13,143)**
Net investments in property, plant and equipment	(5,006)	(3,238)
Net investments in intangible assets	(225)	(238)
Net investments in other non-current assets	94	(51)
Subsidiaries business combination	-	(9,616)
Cash flow provided by (used in) financing activities (F)	**3,147**	**(48,987)**
Medium/long-term borrowing	13,000	1,500
Repayment/renegotiation of medium/long-term borrowings	(14,778)	(16,692)
Leasing liabilities reimbursement	(5,487)	(4,564)
Net change in financial liabilities	35,285	17,154
Net change in financial assets and derivative instruments	1,453	708
Deferred price acquisition	(1,739)	-
Dividend payments	(24,587)	(27,234)
Own shares acquisition	-	(19,859)
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**(449,534)**	**(378,320)**
Cash and cash equivalents at year-beginning	**491,471**	**558,928**
Net increase/(decrease) in cash and cash equivalents	**(449,534)**	**(378,320)**
Cash and cash equivalents at year-end	**41,937**	**180.608**

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

Notes to the condensed consolidated half-year financial statements

1. Contents and format of the consolidated financial statements

1.1 Regulations, accounting principles and valuation criteria

The Esprinet Group consolidated half-yearly financial report as at 30 June 2022 was drawn up in accordance with Article 154-ter (Financial Reports), paragraph 2, of Legislative Decree no. 58/1998 (T.U.F. - *Finance Consolidation Act)*, as well as CONSOB Communication no. DEM/6064293 of 28 July 2006 ('*Disclosure requirements of Italian listed companies pursuant to Article 114, paragraph 5, Legislative Decree no. 58/98*') and includes:

- the interim directors' report on operations;
- the condensed consolidated half-year financial statements;
- the declaration provided by Article 154-bis, paragraph 5 of the T.U.F.

The condensed consolidated half-year financial statements have been drawn up in compliance with IFRS - International Financial Reporting Standards -, using the same standards used in the Consolidated Financial Statements as at 31 December 2021 and with special reference to the provisions of IAS 34 'Interim Financial Reporting', pursuant to which they have been drafted in condensed form.
They do not include all the supplementary information required in the annual financial statements, therefore, they should be read together with the consolidated financial statements of the Esprinet Group as at 31 December 2021.

These condensed consolidated half-year financial statements as at 30 June 2022 were subject to limited audit by the company PricewaterhouseCoopers S.p.A. with exception of figures relating only to the second quarter.

1.2 Scope of consolidation

The consolidated financial statements are prepared on the basis of the interim accounts of the parent company and its direct and/or indirect subsidiaries or associated companies, approved by their respective Boards of Directors[2].
Wherever necessary, the interim accounts of subsidiaries have been suitably adjusted to ensure consistency with the accounting principles used by the parent company, and all relate to financial years with same closing date as the parent company.

The table below lists companies included in the consolidation scope as at 30 June 2022, all consolidated on a line-by-line basis.

[2] 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			
Controllate direttamente:					
Celly Pacific LTD	Honk Kong (China)	935	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.	Milano (MI)	3,600,000	100.00%	Esprinet S.p.A.	100.00%
idMAINT S.r.l.	Milano (MI)	42,000	100.00%	Esprinet S.p.A.	100.00%
4Side S.r.l	Legnano (MI)	100,000	100.00%	Esprinet S.p.A.	100.00%
Subsidiaries indirectly controlled:					
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%
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%
V-Valley Advanced Solutions España, S.A. **	Madrid (Spain)	1,202,000	100.00%	Esprinet Iberica S.L.U.	90.42%
Optima Logistics S.L.U.	Madrid (Spain)	3,005	100.00%	V-Valley Advanced Solutions España, S.A.	100.00%
V-Valley Advanced Solutions Portugal, Unipessoal, Lda	Sacavém (Portugal)	10,000	100.00%	V-Valley Advanced Solutions España, S.A.	100.00%
GTI Software & Networking SARLAU	Casablanca (Morocco)	707,252	100.00%	V-Valley Advanced Solutions España, 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% by virtue of 9.58% of treasury shares held by V-Valley Advanced Solutions España, S.A.

There were no changes in the scope of consolidation with respect to both 31 December 2021 and 30 June 2021.

By contrast, in relation to the individual companies, although with no impact on the overall scope, compared to 30 June 2021, note should be taken of the mergers by incorporation of V-Valley Iberian S.L.U. in V-Valley Advanced Solutions España S.A. (formerly GTI Software Y Networking S.A.) and of Celly S.p.A. in Esprinet S.p.A. resulting in the latter obtaining direct control of the investment in Celly Pacific Limited.

1.3 Principal assumptions, estimates and rounding

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

Due to the uncertainty associated with the current tensions that characterise the global economic context, in preparing these condensed consolidated half-year financial statements, the Group carefully evaluated and considered the possible impacts on the half-year data and provided an update of the specific disclosure in the paragraph 'Macroeconomic context' in the previous section 'Main risks and uncertainties', to which reference should be made for more details.

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 2021, but where the evaluation has led to particular conclusions, additional specific information is provided in the notes.

If these estimates and assumptions, which are based on the best valuation by the management, should differ from actual circumstances in the future, they will be suitably amended during the period in which those circumstances will arise.

In this interim period, as permitted by IAS 34, income taxes were calculated based on the best estimate of the tax burden expected for the entire financial year. On the contrary, in the annual consolidated financial statement, current taxes have been calculated specifically based on the tax rates in force at the closing date of the financial statements.
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.

1.4 Changing in accounting policies

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

1.5 New or revised accounting standards and interpretations adopted by the Group

The accounting policies adopted in the preparation of the condensed consolidated half-year financial statements as at 30 June 2022 are consistent with those used in the consolidated financial statements as at 31 December 2021, except for the accounting standards and amendments described below and obligatorily applied with effect from 1 January 2022 after being endorsed by the competent authorities.

Amendments to IFRS 3 (Business combinations), IFRS 16 (Property, Plant and Equipment) and IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) – Annual improvements 2018-2020: Issued by IASB on 14 May 2020 with the aim at make some specific improvements to the above standards. The amendments apply to financial statements for years starting on 1 January 2022. The Group will adopt these new standards, amendments and interpretations, based on the application date indicated. The possible effects of the introduction of these amendments are still in the process of being evaluated.

At the date of these condensed consolidated half-year financial statements, the competent bodies of the European Union had completed the approval process necessary for the application of the following accounting standards and amendments still not in force:

IFRS 17 – Insurance Contracts - Issued in May 2017 by IASB, the new standard will replace IFRS 4 and will be effective from 1 January 2023.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2): The amendments issued by the IASB on 12 February 2021 aim to assist drafters of financial statements in deciding which accounting standards to disclose as more significant in their financial statements. In addition, the IFRS Practice Statement 2 was modified by adding guidelines and examples to explain and demonstrate the application of the 'four-step materiality process' to the information on accounting standards, in order to support the amendments to IAS 1. The amendments will be applied prospectively and are effective for years starting on or after 1 January 2023. Early application is permitted. The application of the amendments to the IFRS Practice Statement 2 will be applicable only after the application of those envisaged in IAS 1.

Amendments to IAS 8 - Definition of accounting estimates - On 12 February 2021, the IASB issued the document 'Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates' with the aim of clarifying the difference between accounting policies and estimates. The amendments apply to financial statements for years starting on 1 January 2023.

At the date of these condensed consolidated half-year financial statements, moreover, the competent bodies of the European Union had not completed the approval process necessary for the application of the following accounting standards and amendments:

Amendments to IAS 12 (Income Taxes), Deferred Tax related to Assets and Liabilities arising from a Single Transaction: Published by the IASB on 7 May 2021 with the objective of clarifying the method of accounting of deferred taxes on specific accounting cases such as, for example, leases or 'decommissioning obligations'. The amendments apply to financial statements for years starting on or after 1 January 2023. Early application is permitted.

Initial Application of IFRS17 and IFRS9 - Comparative Information (Amendment to IFRS17): Published in December 2021 aims to indicate the transition options relating to comparative information on financial assets presented upon initial application of IFRS17. The amendments apply to financial statements for years starting on 1 January 2023.

Amendments to IAS 1 - Presentation of financial statements: classification of liabilities as current or non-current – Issued by the IASB on 23 January 2020. The document sets forth that a liability is classified as current or non-current based on the rights existing at the reporting date. In addition, it establishes that the classification is not impacted by expectations about whether an entity will exercise its right to defer the settlement of the liability. Lastly, it is clarified that this settlement refers to the transfer of cash, equities, other assets or services to the counterparty. The amendments apply to financial statements for years starting on 1 January 2023.

The Group will adopt these new standards, amendments and interpretations, based on the application date indicated. The possible effects of the introduction of these amendments are still in the process of being evaluated.

2. Business combinations

The Group did not carry out any business combinations during the reference half.

3. Segment information

3.1 Introduction

An operating segment is a component of the Group:

a) that engages in business activities from which it may earn sales and incur expenses (including sales and expenses relating to transactions with other components of the same Group);

b) whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;

c) for which financial information is separately available.

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.

The B2B IT and consumer electronics distribution is aimed at professional resellers, including large-scale distributors/retailers, and regards traditional IT products (desktop PCs, PC notebooks, printers, photocopiers, servers, standard software, etc.), advanced products (datacentres, networking, cybersecurity software, cloud solutions, support services), consumables (cartridges, tapes, toners, magnetic media), networking products (modems, routers, switches), tablets, mobile telephone devices (smartphones) and related accessories, and state-of-the-art digital and entertainment products such as cameras, video cameras, videogames, LCD TVs and MP3 readers.

A 'geographical segment' 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 segments.

The organisation by geographical segments represents the main form of management and analysis of Group results by the CODMs (Chief Operating Decision Makers).

3.2 Financial statements by operating segments

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)	H1 2022			
	Italy	Iberian Pen.	Elim. and other	Group
	Distr. IT & CE B2B	Distr. It & CE B2B		
Sales to third parties	1,318,014	860,611	-	2,178,625
Intersegment sales	17,899	-	(17,899)	-
Sales from contracts with customers	**1,335,913**	**860,611**	**(17,899)**	**2,178,625**
Cost of sales	(1,262,881)	(819,506)	17,941	(2,064,446)
Gross profit	**73,032**	**41,105**	**42**	**114,179**
Gross Profit %	*5.47%*	*4.78%*		*5.24%*
Sales and marketing costs	(24,737)	(11,604)	-	(36,341)
Overheads and admin. costs	(33,982)	(14,847)	27	(48,802)
Impairment loss/reversal of financial assets	127	(94)	-	33
Operating income (Ebit)	**14,440**	**14,560**	**69**	**29,069**
EBIT %	*1.08%*	*1.69%*		*1.33%*
Finance costs - net				(4,273)
Profit before income tax				**24,796**
Income tax expenses				(6,764)
Net income				**18,032**
- of which attributable to non-controlling interests				-
- of which attributable to Group				18,032
Depreciation and amortisation	**5,991**	**2,324**	166	**8,481**
Other non-cash items	**2,581**	**67**	-	**2,648**
Investments	**4,391**	**868**	-	**5,259**
Total assets	**1,116,106**	**633,359**	(109,178)	**1,640,287**

(euro/000)	H1 2021			
	Italy	Iberian Pen.	Elim. and other	Group
	Distr. IT & CE B2B	Distr. IT & CE B2B		
Sales to third parties	1,420,498	816,325	-	2,236,823
Intersegment sales	17,097	-	(17,097)	-
Sales from contracts with customers	**1,437,595**	**816,325**	**(17,097)**	**2,236,823**
Cost of sales	(1,359,005)	(778,142)	17,115	(2,120,032)
Gross profit	**78,590**	**38,183**	**18**	**116,791**
Gross profit %	*5.47%*	*4.68%*		*5.22%*
Sales and marketing costs	(24,363)	(10,607)	1	(34,969)
Overheads and admin. costs	(34,396)	(13,522)	14	(47,904)
Impairment loss/reversal of financial assets	121	20	-	141
Operating income (Ebit)	**19,952**	**14,074**	**33**	**34,059**
EBIT %	*1.39%*	*1.72%*		*1.52%*
Finance costs - net				(3,745)
Profit before income tax				**30,314**
Income tax expenses				(8,264)
Net income				**22,050**
- of which attributable to non-controlling interests				(78)
- of which attributable to Group				22,128
Depreciation and amortisation	**5,627**	**1,880**	150	**7,657**
Other non-cash items	**1,764**	**22**	-	**1,786**
Investments	**2,935**	**579**	-	**3,514**
Total assets	**1,011,362**	**586,727**	(88,567)	**1,509,522**

(euro/000)	Q2 2022			
	Italy	Iberian Pen.	Elim. and other	Group
	Distr. IT & CE B2B	Distr. It & CE B2B		
Sales to third parties	619,234	419,956		1,039,190
Intersegment sales	8,109	-	(8,109)	-
Sales from contracts with customers	**627,343**	**419,956**	**(8,109)**	**1,039,190**
Cost of sales	(590,619)	(399,795)	8,106	(982,308)
Gross profit	**36,724**	**20,161**	**(3)**	**56,882**
Gross Profit %	*5.85%*	*4.80%*		*5.47%*
Sales and marketing costs	(12,980)	(5,581)	-	(18,561)
Overheads and admin. costs	(17,076)	(7,633)	20	(24,689)
Impairment loss/reversal of financial assets	30	(210)	-	(180)
Operating income (Ebit)	**6,698**	**6,737**	**17**	**13,452**
EBIT %	*1.07%*	*1.60%*		*1.29%*
Finance costs - net				(2,435)
Profit before income tax				**11,017**
Income tax expenses				(3,059)
Net income				**7,958**
- of which attributable to non-controlling interests				-
- of which attributable to Group				7,958
Depreciation and amortisation	**3,054**	**1,220**	91	**4,365**
Other non-cash items	**1,276**	**(31)**	-	**1,245**
Investments	**1,516**	**286**	-	**1,802**
Total assets	**1,116,106**	**633,359**	(109,178)	**1,640,287**

(euro/000)	Q2 2021			
	Italy	Iberian Pen.		
	Distr. IT & CE B2B	Distr. It & CE B2B	Elim. and other	Group
Sales to third parties	678,001	392,784		1,070,785
Intersegment sales	7,207	-	(7,207)	-
Sales from contracts with customers	**685,208**	**392,784**	**(7,207)**	**1,070,785**
Cost of sales	(643,045)	(374,074)	7,232	(1,009,887)
Gross profit	**42,163**	**18,710**	**25**	**60,898**
Gross profit %	*6.15%*	*4.76%*		*5.69%*
Sales and marketing costs	(13,530)	(5,347)	-	(18,877)
Overheads and admin. costs	(17,841)	(6,835)	7	(24,669)
Impairment loss/reversal of financial assets	67	94	-	161
Operating income (Ebit)	**10,859**	**6,622**	**32**	**17,513**
EBIT %	*1.58%*	*1.69%*		*1.64%*
Finance costs - net				(1,287)
Profit before income tax				**16,226**
Income tax expenses				(4,384)
Net income				**11,842**
- of which attributable to non-controlling interests				(53)
- of which attributable to Group				11,895
Depreciation and amortisation	**2,905**	**930**	**70**	**3,905**
Other non-cash items	**822**	**(1)**	**-**	**821**
Investments	**409**	**428**	**-**	**837**
Total assets	**1,011,362**	**586,727**	**(88,567)**	**1,509,522**

Statement of financial position by operating segments

(euro/000)	30/06/2022			
	Italy	Iberian Pen.		
	Distr. IT & CE B2B	Distr. IT & CE B2B	Elim. and other	Group
ASSETS				
Non-current assets				
Property, plant and equipment	12,974	3,660	-	16,634
Right-of-use assets	86,028	21,657	-	107,685
Goodwill	19,384	81,777	1,039	102,200
Intangible assets	837	7,381	-	8,218
Investments in others	75,791	-	(75,791)	-
Deferred income tax assets	4,363	6,412	62	10,837
Receivables and other non-current assets	1,832	496	-	2,328
	201,209	**121,383**	**(74,690)**	**247,902**
Current assets				
Inventory	482,048	299,119	(186)	780,981
Trade receivables	317,243	189,154	-	506,397
Income tax assets	1,176	1	-	1,177
Other assets	87,402	8,793	(34,302)	61,893
Cash and cash equivalents	27,028	14,909	-	41,937
	914,897	**511,976**	**(34,488)**	**1,392,385**
Total assets	**1,116,106**	**633,359**	**(109,178)**	**1,640,287**
EQUITY				
Share capital	7,861	54,693	(54,693)	7,861
Reserves	255,104	117,964	(20,084)	352,984
Group net income	8,051	9,915	66	18,032
Group net equity	**271,016**	**182,572**	**(74,711)**	**378,877**
Non-controlling interests	-	164	(164)	-
Total equity	**271,016**	**182,736**	**(74,875)**	**378,877**
LIABILITIES				
Non-current liabilities				
Borrowings	47,153	47,375	-	94,528
Lease liabilities	82,560	19,908	-	102,468
Deferred income tax liabilities	3,450	12,435	-	15,885
Retirement benefit obligations	4,759	-	-	4,759
Debts for investments in subsidiaries	715	-	-	715
Provisions and other liabilities	2,280	135	-	2,415
	140,917	**79,853**	**-**	**220,770**
Current liabilities				
Trade payables	604,803	277,317	-	882,120
Short-term financial liabilities	65,365	65,955	(30,000)	101,320
Lease liabilities	7,392	2,905	-	10,297
Income tax liabilities	126	1,463	-	1,589
Debts for investments in subsidiaries	1,015	-	-	1,015
Provisions and other liabilities	25,472	23,130	(4,303)	44,299
	704,173	**370,770**	**(34,303)**	**1,040,640**
Total liabilities	**845,090**	**450,623**	**(34,303)**	**1,261,410**
Total equity and liabilities	**1,116,106**	**633,359**	**(109,178)**	**1,640,287**

(euro/000)	31/12/2021			
	Italy	Iberian Pen.		
	Distr. IT & CE B2B	Distr. IT & CE B2B	Elim. and other	Group
ASSETS				
Non-current assets				
Property, plant and equipment	10,577	3,279	-	13,856
Right-of-use assets	86,617	20,887	-	107,504
Goodwill	19,384	81,777	1,039	102,200
Intangible assets	801	7,726	-	8,527
Investments in others	75,725	-	(75,725)	-
Deferred income tax assets	4,284	6,348	81	10,713
Receivables and other non-current assets	1,949	473	-	2,422
	199,337	**120,490**	**(74,605)**	**245,222**
Current assets				
Inventory	349,006	180,751	(255)	529,502
Trade receivables	351,984	233,538	-	585,522
Income tax assets	89	221	-	310
Other assets	105,552	8,594	(43,816)	70,330
Cash and cash equivalents	253,463	238,008	-	491,471
	1,060,094	**661,112**	**(44,071)**	**1,677,135**
Total assets	**1,259,431**	**781,602**	**(118,676)**	**1,922,357**
EQUITY				
Share capital	7,861	54,693	(54,693)	7,861
Reserves	258,447	95,707	(20,080)	334,074
Group net income	21,927	22,193	63	44,183
Group net equity	**288,235**	**172,593**	**(74,710)**	**386,118**
Non-controlling interests	-	149	(149)	-
Total equity	**288,235**	**172,742**	**(74,859)**	**386,118**
LIABILITIES				
Non-current liabilities				
Borrowings	48,515	58,016	-	106,531
Lease liabilities	82,931	19,322	-	102,253
Deferred income tax liabilities	3,144	11,640	-	14,784
Retirement benefit obligations	5,232	-	-	5,232
Debts for investments in subsidiaries	1,615	-	-	1,615
Provisions and other liabilities	2,424	113	-	2,537
	143,861	**89,091**	**-**	**232,952**
Current liabilities				
Trade payables	762,416	428,440	-	1,190,856
Short-term financial liabilities	33,950	61,245	(40,000)	55,195
Lease liabilities	7,184	2,645	-	9,829
Income tax liabilities	3,978	309	-	4,287
Derivative financial liabilities	-	2	-	2
Debts for investments in subsidiaries	1,854	-	-	1,854
Provisions and other liabilities	17,953	27,128	(3,817)	41,264
	827,335	**519,769**	**(43,817)**	**1,303,287**
Total liabilities	**971,196**	**608,860**	**(43,817)**	**1,536,239**
Total equity and liabilities	**1,259,431**	**781,602**	**(118,676)**	**1,922,357**

4. Notes to statement of financial position items

Non-current assets

1) Property, plant and equipment

Changes occurred during the period in the item 'Property, plant and equipment' are as follows:

(euro/000)	Plant and machinery	Ind. & Comm. Equipment & other assets	Assets under construction & Advances	Total
Historical cost	17,793	40,391	302	**58,486**
Accumulated depreciation	(14,386)	(30,244)	-	**(44,630)**
Balance at 31/12/2021	**3,407**	**10,147**	**302**	**13,856**
Business combination acquisition - historical cost	-	-	-	**-**
Business combination acquisition - accumulated depreciation	-	-	-	**-**
Historical cost increase	213	3,578	1,242	**5,033**
Historical cost decrease	(21)	(1,970)	(3)	**(1,994)**
Historical cost reclassification	107	187	(294)	**-**
Increase in accumulated depreciation	(512)	(1,716)	-	**(2,228)**
Decrease in accumulated depreciation	15	1,952	-	**1,967**
Total changes	**(198)**	**2,031**	**945**	**2,778**
Historical cost	18,092	42,186	1,247	61,525
Accumulated depreciation	(14,883)	(30,008)	-	(44,891)
Balance at 30/06/2022	**3,209**	**12,178**	**1,247**	**16,634**

Investments refer for 2.8 million euro to the periodic upgrade and adaptation of the technology suite.

The decreases occurred in the item '*Industrial and commercial equipment and other assets*' refer exclusively to the decommissioning of electronic office machines and are attributable mainly to the parent company Esprinet S.p.A.

Investments pursuant to the item 'Fixed assets in progress' refer primarily to plant and machinery in the process of being installed in the Italian warehouse in Cavenago, leased in 2021.

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

The amortisation rates applied to each asset category are unchanged compared with those as at 31 December 2021.

2) Goodwill

Goodwill amounted to 102.2 million euro, coinciding with the value as at 31 December 2021.

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

(euro/000)	30/06/2022	31/12/2021	Var.		
Esprinet S.p.A.	19,384	19,384	-	CGU 1	Distribution B2B of Information Technology and Consumer Electronics (Italy)
Esprinet Iberica S.l.u.	82,816	82,816	-	CGU 2	Distribution B2B of Information Technology and Consumer Electronics (Iberian Peninsula)
Total	**102,200**	**102,200**	-		

The annual impairment test, required by IAS 36, was carried out in reference to the financial statements as at 31 December 2021 and no impairment loss was identified 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.

For the purposes of the drafting of these condensed consolidated half-year financial statements, the Esprinet Group evaluated the existence and, if necessary, examined the actual implications, for each CGU, of the following impairment indicators:
- 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.

At the end of the analysis, elements of decreases were verified in the Italian market in which the CGU1 operates which, however, positively continued, like CGU2, to favour activities in the higher profit margin sectors and reduced costs.
Thanks to said actions, results just below the forecasts were recorded and, based on the forecasts, which management believes are likely to recover by the end of the year in consideration of the seasonal nature of the business, which historically sees the last quarter of the year have a particularly significant impact on business, and the prospect of the launch of the process of technological upgrading and cybernetic security by private firms and the Public Administration (the latter financed by the National Plans adopted by the various Governments as part of the NextGenEU programme), whose start has been deferred with respect to the initial estimates.
Evaluations were also carried out in relation to the estimate of a possible increase in the WACCs used to quantify the value in use of the CGUs given the increases in the reference interest rates in the period.
The presumed 'durable' worsening in results and increase in the WACC are included in the 'worst--case' scenarios drawn up as part of the sensitivity analyses conducted as at 31 December 2021, which had shown that by also 'stressing' the value of the WACC upwards by +200 basis points and simultaneously 'stressing' EBITDA downwards by -20% with respect to the forecast value, there would be no need to write down the value of goodwill.
By contrast, in relation to the stock market capitalisation value with respect to the reported shareholders' equity, it is represented that, regardless of the theoretical observations and the technical factors, which may generate differences between the two balances, the stock market valuation is slightly lower than the reported shareholders' equity as at 30 June 2022 (344.6 million euro compared to 378.9 million euro) but its average value in the half is considerably higher (494.0 million euro), given the decrease was in line with the one registered on the majority of securities and price lists as a result of the macroeconomic context in the period.

Therefore, it was concluded that, for both CGUs, there was no need to conduct an impairment test on the goodwill, whose value was therefore confirmed as the one registered as at 31 December 2021.

For more detailed information on goodwill and the impairment test performed as at 31 December 2021, please refer to the explanatory notes reported under item *'Goodwill'* in the *Notes to the Consolidated Financial Statements* as at 31 December 2021.

3) Intangible assets

Changes occurred during the period in the item *Intangible assets* are as follows:

(euro/000)	Start-up and expansion costs	Industrial and other patent rights	Licences, concessions, brand names and similar rights	Assets under construction and advances	Other intagible assets	Total
Historical cost	3	12,700	38	110	8,477	**21,328**
Accumulated depreciation	(3)	(11,952)	(27)	-	(819)	**(12,801)**
Balance at 31/12/2021	**-**	**748**	**11**	**110**	**7,658**	**8,527**
Business combination acquisitions - historical cost	-	-	-	-	-	**-**
Business combination acquisitions - accumulated depreciation	-	-	-	-	-	**-**
Historical cost increase	-	177	-	49	-	**226**
Historical cost decrease	-	-	(1)	-	-	**(1)**
Historical cost reclassification	-	60	-	(60)	-	**-**
Increase in accumulated depreciation	-	(209)	-	-	(325)	**(534)**
Decrease in accumulated depreciation	-	-	-	-	-	**-**
Total changes	**-**	**28**	**(1)**	**(11)**	**(325)**	**(309)**
Historical cost	3	12,937	37	99	8,477	**21,553**
Accumulated depreciation	(3)	(12,161)	(27)	-	(1,144)	**(13,335)**
Balance at 30/06/2022	**-**	**776**	**10**	**99**	**7,333**	**8,218**

The investments pursuant to the item *Industrial and other patent rights* refer essentially to the software licences for long-term renewal and the upgrading of the management information system.

This item is amortised in three years.

4) Right-of-use assets

(euro/000)	30/06/2022	31/12/2021	Var.
Right-of-use assets	107,685	107,504	181

Changes occurred during the period in the item *Right-of-use assets* are as follows:

(euro/000)	Rental Property	Cars	Ind. & Comm. Equipment & other assets	Total
Historical cost	131,893	5,553	459	**137,905**
Accumulated depreciation	(27,071)	(3,046)	(284)	**(30,401)**
Balance at 31/12/2021	**104,822**	**2,507**	**175**	**107,504**
Historical cost increase	5,624	332	-	**5,956**
Historical cost decrease	(55)	(161)	-	**(216)**
Increase in accumulated depreciation	(5,183)	(483)	(53)	**(5,719)**
Decrease in accumulated depreciation	10	150	-	**160**
Total changes	**396 -**	**162**	**(53)**	**181**
Historical cost	137,462	5,724	459	**143,645**
Accumulated depreciation	(32,244) -	3,379	(337)	**(35,960)**
Balance at 30/06/2022	**105,218**	**2,345**	**122**	**107,685**

In the Group, the contracts that fall within the scope of IFRS 16 refer to the use of:

- office and operating buildings;
- company vehicles;
- industrial and commercial equipment and other assets.

The changes that occurred during the first six months of 2022 are attributable mainly to the renewal of some of the parent company's contracts, the adjustment of lease payments, or the amortisation for the period, determined on the basis of the residual duration of the contracts.

The Group has not applied IFRS 16 to leases of intangible assets.
The Group analyses the lease contracts with regards to the lease term, defining the 'non-cancellable' period for each of them, together with the effects of extension and early termination clauses whose exercise was deemed reasonably certain.
More specifically, for properties, said valuation has considered the specific facts and circumstances of each asset, while for the other categories of assets, mainly company vehicles, the Group generally considered it unlikely that any extension or early termination clauses would be exercised in view of the Group's usual practice.
Lastly, liabilities related to rights of use are measured considering the variable payments due for the leases linked to indices or rates (e.g. ISTAT index), where contractually provided for.

6) Deferred income tax assets

(euro/000)	30/06/2022	31/12/2021	Var.
Deferred income tax assets	10,837	10,713	124

The balance of this item is represented by temporary differences between carrying amounts and values recognised for tax purposes that the Group expects to recover in future years following the realisation of taxable profits.

9) Receivables and other non-current assets

(euro/000)	30/06/2022	31/12/2021	Var.
Guarantee deposits receivables	2,328	2,422	(94)
Receivables and other non-current assets	**2,328**	**2,422**	**(94)**

As at 30 June 2022, the item *Guarantee deposits receivables* includes substantially guarantee deposits relating to utilities and lease agreements ongoing.

Current assets

10) Inventory

The movement in the inventory and in the corresponding provision for obsolescence during the period was as follows:

(euro/000)	30/06/2022	31/12/2021	Var.
Finished products and goods	786,483	535,338	251,145
Provision for obsolescence	(5,502)	(5,836)	334
Inventory	**780,981**	**529,502**	**251,479**

The net amount of inventories, equal to 781.0 million euro, recorded an increase of 251.5 million euro compared to the existing stock as at 31 December 2021, of which 217.3 million euro for products in transit from suppliers or to customers (147.5 million euro as at 31 December 2021).

The increase is due to the decision to proceed with greater supplies to limit product shortages resulting from the significantly longer wait times for products and their incomplete availability from suppliers.
At the same time, suppliers showed a certain preference for supplying the Group, in consideration of its capital and financial strength, hence agreeing possible longer extensions or support plans which, at the reference date of these interim financial statements, demonstrated the need for further support given that, simultaneously, product demand was lower than the expectations as a result of the geopolitical and macroeconomic turbulence experienced globally and in Europe in particular.

A total of 5.5 million euro allocated to the *Provision for obsolescence* is intended to address the risks associated with the presumed lower realisable value of obsolete and slow-moving stock.

The change in the provision during the period was as follows:

(euro/000)	30/06/2022	31/12/2021	Var.
Provision for obsolescence: year beginning	**5,836**	**7,017**	**(1,181)**
Uses/Releases	(1,050)	(4,832)	3,782
Accruals	716	3,553	(2,837)
Acquisition in business combination	-	98	(98)
Provision for obsolescence: period-end	**5,502**	**5,836**	**(334)**

The item 'Accrual' is the managements best estimate of the recoverability of the inventory value as at 30 June 2022.

11) Trade receivables - net

(euro/000)	30/06/2022	31/12/2021	Var.
Trade receivables - gross	510,579	590,290	(79,711)
Bad debt provision	(4,182)	(4,768)	586
Trade receivables - net	**506,397**	**585,522**	**(79,125)**

Trade receivables - net arise from normal sales transactions engaged in by the Group in the context of ordinary marketing activities.

These transactions are entered into almost entirely with customers resident in the two countries where the Group operates, i.e. Italy and Spain. They are denominated almost entirely in euro and are short-term.

Gross trade receivables include 2.9 million euro (0.3 million euro as at 31 December 2021) of receivables sold with recourse to factoring companies, adjusted by credit notes to be issued to customers for a value of 85.6 million euro (79.1 million euro at the end of 2021) and include 129.2 million euro of receivables valued at fair value (147.5 million euro as at 31 December 2021).

The change in gross receivables is determined not only by the overall volumes of turnover and their trend over time, in turn also determined by seasonal factors, but also by the impact of the revolving programmes for the disinvestment of trade receivables (i.e. approx. 382.3 million euro as at 30 June 2022 compared to 561.0 million euro as at 31 December 2021 and 342.3 million euro as at 30 June 2021).

The receivables are adjusted to their presumed realisable value through the recognition of an appropriate bad debt provision, which is replenished by allocations determined on the basis of an analytical valuation process for each individual customer, in relation to the related past due receivables and outstanding commercial disputes, taking into account insurance coverage. The change in the provision is represented below:

(euro/000)	30/06/2022	31/12/2021	Var.
Bad debt provision: year-beginning	**4,768**	**6,183**	**(1,415)**
Uses/Releases	(2,272)	(3,513)	1,241
Accruals	1,686	1,661	25
Acquisition in business combination	-	437	(437)
Bad debt provision: period-end	**4,182**	**4,768**	**(586)**

The financial performances of the Group show how the COVID-19 pandemic and the subsequent particular economic and financial context did not have material repercussions on the commercial creditor positions. Therefore, changes to the valuation of the recoverability of the receivables recorded in the financial statements according to the ‘Expected Credit Loss’ model defined by the Group in compliance with IFRS 9 are not considered necessary.

12) Income tax assets (current)

(euro/000)	30/06/2022	31/12/2021	Var.
Income tax assets	1,177	310	867

Income tax assets (current) refer to the prevalence of Ires and Irap advances calculated on income for the previous year but, in consideration of the seasonality of the business which normally sees a performance peak in the fourth quarter of the year, exceeding the current taxes accrued in the half by the parent company Esprinet S.p.A. (1,127 thousand euro) and by 4Side S.r.l. (48 thousand euro).

13) Other current assets

(euro/000)	30/06/2022	31/12/2021	Var.
Receivables from associates companies (A)	**-**	**-**	**-**
VAT receivables	1,633	4,509	(2,876)
Other tax assets	32,543	32,149	394
Other receivables from Tax authorities (B)	**34,200**	**36,658**	**(2,458)**
Receivables from factoring companies	1,080	3,128	(2,048)
Other financial receivables	10,450	9,857	593
Receivables from insurance companies	3,060	2,852	208
Receivables from suppliers	7,590	13,753	(6,163)
Receivables from employees	5	16	(11)
Receivables from others	156	152	4
Other receivables (C)	**22,341**	**29,758**	**(7,417)**
Prepayments (D)	**5,352**	**3,914**	**1,438**
Other assets (E= A+B+C+D)	**61,893**	**70,330**	**(8,437)**

Vat Receivables include 0.9 million euro due to the Italian subsidiary and, for the remainder, concern VAT receivables accrued but, according to the tax rules of the local authorities, cannot be offset with debt positions.

The *Other tax assets* figure refers almost entirely to the receivable of the parent company Esprinet S.p.A. from the tax authorities following the payment, made on a provisional basis, of tax collection files relating to indirect taxes in relation to which disputes are in progress, details of which are provided in the section 'Development of the disputes involving Esprinet S.p.A. and the Group' under the notes to item '26) Non-current provisions and other liabilities'.

Receivables from factoring companies, referring to the parent company for 1.1 million euro, relate to the residual amount still uncollected of the trade receivables sold 'without recourse' at the end of June 2022. At the time this report was drafted, the receivables due had been collected in full. The change compared with the previous year-end balance, is mainly due to the volume of transfers as well as the different timing in the collection of transferred receivables compared to 31 December 2021.

Other financial receivables refer entirely to a guarantee deposit provided to the buyer of the receivables assigned in the securitisation transaction executed by the Group to cover any dilution that may occur in the course of this activity or in the months following the transaction closing.

Receivables from insurance companies include the insurance compensation – after deductibles – recognised by the insurance companies for claims of various kinds not yet paid, but which are reasonably expected to be collected within the next fiscal year.

Receivables from suppliers, as at 30 June 2022, refer to credit notes received exceeding the amount owed at the end of December for a mismatch between the timing of their quantification and the payment of suppliers. This item also includes mainly receivables from suppliers for advance payments requested by suppliers before purchase orders are executed, as well as receivables from hauliers for advance VAT payments and customs duties pertaining to imports.

Prepayments are costs (mainly maintenance and assistance fees, insurance premiums, expenses on loans not drawn down) whose accrual is deferred with respect to that of the cash movement.

17) Cash and cash equivalents

(euro/000)	30/06/2022	31/12/2021	Var.
Bank and postal deposit	41,908	491,455	(449,547)
Cash	26	16	10
Cheques	3	-	3
Total cash and cash equivalents	**41,937**	**491,471**	**(449,534)**

Cash and cash equivalents are almost entirely made up of bank balances, all immediately available. The level of liquidity, originated in the normal short-term financial cycle of collections, is partly temporarily and dramatically fluctuates not only along the calendar year but also during each month, mainly because payments from customers are concentrated at the end and middle of each month, while the maturities of payments to suppliers are distributed more evenly over the month.

For further details relating to the composition of cash flows please refer to the *Statement of cash flows* and to the following '*Cash flow analysis*' section.

Shareholders' equity

The main changes in *shareholders' equity* items are explained in the following notes:

(euro/000)	30/06/2022	31/12/2021	Var.
Share Capital (A)	**7,861**	**7,861**	**-**
Reserves and profit carried over (B)	366,314	354,337	11,977
Own shares (C)	(13,330)	(20,263)	6,933
Total reserves (D=B+C)	**352,984**	**334,074**	**18,910**
Net income for the year (E)	**18,032**	**44,183**	**(26,151)**
Net equity (F=A+D+E)	**378,877**	**386,118**	**(7,241)**
Non-controlling interests (G)	-	0	(0)
Total equity (H=F+G)	**378,877**	**386,118**	**(7,241)**

19) Share capital

The Esprinet S.p.A. *Share capital*, fully subscribed and paid-in as at 30 June 2022, is 7,860,651 euro and comprises 50,417,417 shares with no face value, following the cancellation, on 22 June 2020, of 1,470,217 shares and 516,706 shares on 10 May 2022, as set forth in the resolutions of the relevant Shareholders' Meetings.

20) Reserves

Reserves and profit carried over

The *Reserve and retained earnings* balance increased by 12.0 million euro, mainly due to combined effect of the allocation of profits from the previous year and the distribution of dividends to shareholders.

Reserves also includes the value of the Esprinet stock grant rights to Group Directors and executives in relation to the 2021-2023 Share incentive plan approved by Esprinet S.p.A.'s Shareholders' Meeting on 7 April 2021.
The value of said rights was recognised in the income statement under the costs of employees and the costs of the directors, and was quantified on the basis of the elements described in detail in the section 'Share incentive plans' in the following chapter 6. 'Comments on income statement items' to which reference should be made.
For more details, please refer to the *Consolidated statement of changes in shareholders' equity*.

Own shares on hand

The amount refers to the total purchase price of 1,011,318 Esprinet S.p.A. shares owned by the Company in service of the 2021-2023 Share incentive plan.

The change with respect to the 1,528,024 shares held as at 31 December 2021 derives from the cancellation, on 10 May 2022, of 516,706 shares in implementation of the resolution of Esprinet S.p.A.'s Shareholders' Meeting of 14 April 2022.

21) Net result

Profits pertaining entirely to the Group for the first half of 2022 amount to 18.0 million euro (22.1 million euro in the first half of the previous year).

Non-current liabilities

22) Borrowings

(euro/000)	30/06/2022	31/12/2021	Var.
Borrowings	94,528	106,531	(12,003)

Borrowings refer to the valuation at the amortised cost of the portion of the medium/long-term loans granted by the Group companies falling due beyond 12 months.

The change compared with previous year is due to the combined effect of the signing of new loans during the first half of 2022 and the reclassification of instalments falling due within 12 months under item Current payables, in accordance with the loan amortisation plans.

For details on loans in place (by way of example: amount, disbursing entity, maturity date, repayment frequency, whether subject to economic-financial covenants), please refer to the paragraph '*Financial indebtedness and loans covenants*'.

24) Deferred income tax liabilities

(euro/000)	30/06/2022	31/12/2021	Var.
Deferred income tax liabilities	15,885	14,784	1,101

The balance of this item is represented by higher taxes that the Group has to pay in the next few years due to temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding values recognised for tax purposes, and mainly relates to the cancellation of the tax amortisation of goodwill.

25) Retirement benefit obligations

Retirement benefit obligations reflect the staff severance indemnities ('TFR') and other benefits accruing to salaried staff at the close of the period, assessed in accordance with actuarial criteria, pursuant to IAS 19.

The entire provision amount is attributable to the Italian companies, since a similar system does not exist in other Group companies operating abroad.

Changes occurred during the half-year are shown in the table below:

(euro/000)	30/06/2022	31/12/2021	Var.
Balance at year-beginning	**5,232**	**4,847**	**385**
Acquisition in business combination	-	1,060	(1,060)
Service cost	78	35	43
Interest cost	24	19	5
Actuarial (gain)/loss	(422)	(133)	(289)
Pensions paid	(156)	(596)	440
Other movements	3	-	3
Changes	**(473)**	**385**	**(858)**
Retirement benefit obligations	**4,759**	**5,232**	**(473)**

The change in the 'actuarial gains or losses' compared with last fiscal year is essentially due to the misalignment between the forward-looking assumptions used in the valuation as at 31 December 2021 and the actual development of the provision as at 30 June 2022 (members, payments made, benefit revaluation). The discount rate used reflects the market returns, at the financial statements date, of a panel of primary company bonds with a maturity date connected with the employee average residual employment in the Group's companies (higher than 10 years)[3].

The 'Projected Unit Credit Method' was used to account for employee benefits, based on demographic assumptions and on the following economic-financial assumptions:

[3] Please note that the iBoxx Eurozone Corporates AA7-10 index has been used as the reference parameter.

	30/06/2022	31/12/2021
Cost of living increase	2.00%	1.20%
Discouting rate (1)	2.79%	0.98%
Remuneration increase	3.50%	2.70%
Staff severance indemnity (TFR) - annual rate increase	3.00%	2.40%

(1) Please note that the iBoxx Eurozone Corporates AA7-10 index has been used as the reference parameter.

31) Lease liabilities (non-current)

(euro/000)	30/06/2022	31/12/2021	Var.
Lease liabilities (non-current)	102,468	102,253	215

The liability is related to the Rights of use existing at the reference balance sheet dates.
The variation can be detailed as follows:

(euro/000)	30/06/2022	31/12/2021	Var.
Lease liabilities	**102,253**	**93,999**	**8,254**
Acquisition in business combination		-	-
Increase from subscribed contracts	331	18,482	(18,151)
Termination/modification of contracts	5,569	(373)	5,942
Reclassification in current liabilities	(5,685)	(9,855)	4,170
Lease liabilities	**102,468**	**102,253**	**215**

The following table analyses the maturing dates of the financial liabilities booked as at 30 June 2022:

(euro/000)	Within 5 year	After 5 year	30/06/2022
Lease liabilities (non-current)	48,190	54,278	102,468

49) Debts for investments in subsidiaries (non-current)

(euro/000)	30/06/2022	31/12/2021	Var.
Debts for investments in subsidiaries (non-current)	715	1,615	(900)

The item *Debts for investments in subsidiaries (non - current)* as at 30 June 2022 refers to the consideration to be paid, falling due after the next year, for the purchase by the parent company Esprinet S.p.A. of the companies Dacom S.p.A. (0.5 million euro) and idMAINT S.r.l. (0.1 million euro) in January 2021, and the residual 15% of the share capital of Celly S.p.A. in 2020, now merged in Esprinet S.p.A. (0.1 million euro).

26) Non-current provisions and other liabilities

(euro/000)	30/06/2022	31/12/2021	Var.
Long-term liabilities for cash incentives	256	224	32
Provisions for pensions and similar obligations	1,742	1,694	48
Other provisions	417	619	(202)
Non-current provisions and other liabilities	**2,415**	**2,537**	**(122)**

The item *Long term liabilities for cash incentives* refers to the portion of the variable consideration payable to beneficiaries from the second year onwards with respect to that of accrual conditional, among others, on the beneficiary's employment with the Group until the payment date.

The item *Provisions for pensions and similar obligations* includes the supplementary customer indemnity provision payable to agents based on current regulations governing the subject. The changes in the period were as follows:

(euro/000)	30/06/2022	31/12/2021	Var.
Provisions for pensions: year-beginning	**1,694**	**1,691**	**3**
Uses/Releases	(40)	(308)	268
Accruals	88	257	(169)
Acquisition in business combination	-	54	(54)
Total variation	**48**	**3**	**(54)**
Provisions for pensions: period-end	**1,742**	**1,694**	**(51)**

(euro/000)	30/06/2022	31/12/2021	Var.
Other provisions: year-beginning	**619**	**290**	**329**
Uses/Releases	(203)	(101)	(102)
Accruals	1	430	(429)
Other provisions: period-end	**417**	**619**	**(202)**

Development of disputes involving Esprinet S.p.A. and the Group

The main disputes involving the Group are provided below, along with developments in the first half of 2022 (and thereafter, until the date this interim financial report was drafted), for which the Group has conducted the pertinent risk assessments, with the support of its legal and/or tax consultants, and, where deemed appropriate, recognised the ensuing allocations to the provision for risks.

The following list summarises the development of the main tax disputes in progress for which it has not been considered that the elements for making provisions exist, since the risk of each is assessed as unlikely.

Actebis Computer S.p.A. (now Esprinet S.p.A.) indirect taxes for the year 2005

In the tax disputes involving Actebis Computer S.p.A. relating to periods prior to the acquisition of the company (subsequently merged into Esprinet S.p.A.), all outstanding disputes have been resolved, with the exception of that pertaining to the year 2005, for which Esprinet, at the recommendation of the seller of Actebis and supported by the latter's advisors, after the failure of a tax settlement

proposal, lodged an appeal at the various stages of legal proceedings, with the enforcement of all payments due based on prior receipt of the funds from the seller.
Following the negative ruling of the Regional Tax Commission on 23 September 2014, the seller's advisors also filed an appeal before the Court of Cassation where the same is pending and the hearing has not yet been set.

Esprinet S.p.A. indirect taxes for the year 2011

On 30 November 2016, the Company was served a notice relating to an assessment through which the Revenue Agency requested the recovery of VAT of 1.0 million euro, plus penalties and interests. The failure to apply VAT on taxable transactions carried out in 2011 on a business customer is being disputed; the latter presented a declaration of intent but the subsequent tax audits to which it was subject revealed that the business customer could not have submitted it, as it does not qualify as a habitual exporter.
The Company filed an appeal and received an unfavourable sentence on 24 November 2017 before the Provincial Tax Commission, and on 12 February 2019 before the Regional Tax Commission.
As set forth in the administrative proceedings, payments totalling 2.5 million euro were made during the judicial process which, as all stages of the legal proceedings are yet to be concluded, was recognised in the financial statements under the item 'Other tax receivables'.
On 4 December 2019, an appeal was filed with the Court of Cassation; the date of the hearing for the discussion of the case has not yet been set.

Esprinet S.p.A. indirect taxes for the year 2012

On 2 October 2017, the Company received an assessment notice through which the Revenue Agency requested the recovery of VAT of 3.1 million euro, plus penalties and interest. The failure to apply VAT on taxable transactions carried out in 2012 on three business customers is being disputed; the latter presented declarations of intent but the subsequent tax audits to which they were subject revealed that the business customers could not have submitted these, as they do not qualify as habitual exporters.
The Company filed an appeal and received a favourable ruling on 21 September 2018 before the Provincial Tax Commission, but an unfavourable one on 17 February 2020 before the Regional Tax Commission.
As set forth in the administrative proceedings, February 2021 saw the payment of 5.1 million euro which, as all stages of legal proceedings are yet to be concluded, was recognised in the financial statements under the item 'Other tax receivables'.
On 25 September 2021, the Company filed an appeal with the Court of Cassation and the Revenue Agency filed a counter-appeal; the date of the hearing to discuss the case has not yet been set.

Esprinet S.p.A. indirect taxes for the year 2013

On 31 July 2018, the Company received an assessment notice through which the Revenue Agency requested the recovery of VAT of 66 thousand euro, plus penalties and interest. The failure to apply VAT on taxable transactions carried out in 2013 on a business customer is being disputed; the latter presented a declaration of intent but the subsequent tax audits to which it was subject revealed that the business customer could not have submitted it, as it does not qualify as a habitual exporter.
The Company filed an appeal and received an unfavourable ruling on 29 January 2019 before the Provincial Tax Commission, but a favourable one on 29 January 2020 before the Regional Tax Commission.
On 19 March 2021, the Revenue Agency filed an appeal with the Court of Cassation and the Company filed a counter-appeal; the date of the hearing to discuss the case has not yet been set.

Esprinet S.p.A. indirect taxes for the year 2013 bis

On 20 December 2018, the Company received an assessment notice through which the Revenue Agency requested the recovery of VAT of 14.5 million euro, plus penalties and interest. The failure to

apply VAT on taxable transactions carried out in 2013 on other seven business customers is being disputed; the latter presented declarations of intent but the subsequent tax audits to which they were subject revealed that the business customers could not have submitted these, as they do not qualify as habitual exporters.
The Company filed an appeal and received an unfavourable ruling on 23 September 2020 before the Provincial Tax Commission and an unfavourable one on 14 February 2022 before the Regional Tax Commission.
A negative judgment of the second instance hearing held on 14 February 2022 was filed on 28 February. With the support of its advisors, Esprinet filed an appeal against this ruling to the Court of Cassation.
As set forth in the administrative proceedings, payments totalling 24.5 million euro were made during the judicial process which, as all stages of the legal proceedings are yet to be concluded, was recognised in the financial statements under the item 'Other tax receivables'.
On 23 May 2022, the Company filed an appeal with the Court of Cassation and the Revenue Agency filed a counter-appeal; the date of the hearing to discuss the case has not yet been set.

Esprinet S.p.A. indirect taxes for the year 2013 ter

On 13 September 2021, the Company received an assessment notice through which the Revenue Agency requested the recovery of VAT of 6.5 million euro, plus penalties and interest. The failure to apply VAT on taxable transactions carried out in 2013 on other business customers is being disputed; the latter presented declarations of intent but the subsequent tax audits to which they were subject revealed that the business customers could not have submitted these, as they do not qualify as habitual exporters.
The Company filed an appeal before the Provincial Tax Commission; the date of the hearing for the discussion of the case has been set for 18 October 2022.
A request was accepted on 20 July 2022 for the division into 18 monthly instalments, starting from 31 August 2022, of the first payment set forth by the administrative procedure during the legal proceedings, totalling 2.8 million euro. These sums, that will be gradually paid until the conclusion of the different stages of the legal proceedings, will be recognised in the item 'Other tax assets' in the financial statements.

Monclick S.r.l. Direct taxes for the year 2012

On 20 July 2016, upon conclusion of a tax audit to which it was subject, the company received an assessment notice through which the Revenue Agency requested the recovery of direct taxes for 82 thousand euro, as well as penalties and interest. The deduction or non-taxation of income components relating to 2012 (the year in which the company was still part of the Esprinet Group) is contested.
The company firstly filed a tax settlement proposal but, after its rejection by the Revenue Agency, filed an appeal and won said appeal on 26 June 2017 before the Provincial Tax Commission, but lost the appeal on 3 July 2018 before the Regional Tax Commission.
As envisaged by the administrative procedure, payments for a total of 162 thousand euro were made during the course of the judicial procedure, recorded in the income statement in 2018.
On 16 July 2019, the Company lodged an appeal before the Court of Cassation.

Edslan S.r.l. Registration tax for the year 2016

On 4 July 2017, the company, merged by incorporation into Esprinet S.p.A. in 2018, received an assessment notice through which the Revenue Agency requested the recovery of the registration tax for 182 thousand euro, as well as penalties and interest. The determination of the business unit acquired on 8 June 2016 by the selling company Edslan S.p.A. (now I-Trading S.r.l.) is contested.
The company firstly filed a tax settlement proposal but, after its rejection by the Revenue Agency, filed an appeal and won said appeal on 19 June 2018 before the Provincial Tax Commission, and on 22 January 2020 before the Regional Tax Commission.

On 8 January 2021, the company filed a counter-appeal before the Court of Cassation, whose date of the hearing for the discussion of the case has not yet been set, after appeal by the Revenue Agency.

Current liabilities

27) Trade payables

(euro/000)	30/06/2022	31/12/2021	Var.
Trade payables - gross	1,002,312	1,318,591	(316,279)
Credit notes to be received	(120,192)	(127,735)	7,543
Trade payables	**882,120**	**1,190,856**	**(308,736)**

The *Trade payables* balance, compared with 31 December 2021 is mainly influenced by the seasonality of the distribution business.

The item *Credit notes to be received* refers mainly to the rebates related to commercial targets reached, to various incentives, to reimbursement of joint marketing activities with suppliers and to stocks contractual protections.

There are no trade payables with collaterals on corporate assets nor with a residual duration longer than 5 years.

28) Short – term financial liabilities

(euro/000)	30/06/2022	31/12/2021	Var.
Bank loans and overdrafts	91,324	45,036	46,288
Other financing payables	9,996	10,159	(163)
Short - term financial liabilities	**101,320**	**55,195**	**46,125**

Current bank loans and overdrafts refer to the valuation at the amortised cost of the short-term credit facilities and of the portion of medium/long-term loans granted to the Group companies falling due within the next 12 months.
For details on loans in place (by way of example: amount, disbursing entity, maturity date, repayment frequency, whether subject to economic-financial covenants), please refer to the paragraph '*Financial indebtedness and loans covenants*'.

The change compared with previous year is due to the combined effect of the signing of new loans during the first half of 2022, the reclassification from non-current payables, of the instalments falling due within 12 months, in accordance with the amortisation plans, the payment of the instalments falling due in the first half of 2022 as well as the greater or lesser use of short-term forms of funding.

Other financing payables are mainly advances obtained from factoring companies deriving from the usual with-recourse assignment of receivables, and from payments received in the name and on behalf of clients under the non-recourse factoring agreement. The change in the payable is a direct consequence of the volume and the different timings in the collection of factored receivables with respect to 31 December 2021.

29) Income tax liabilities

(euro/000)	30/06/2022	31/12/2021	Var.
Income tax liabilities	1,589	4,287	(2,698)

Income tax liabilities, relating essentially to Spanish subsidiaries, result mainly from the current taxes accrued in the first half of 2022 with respect to the advances paid, given the different method of calculating the latter with respect to the method used in Italy.

30) Derivative financial liabilities (current)

(euro/000)	30/06/2022	31/12/2021	Var.
Derivative financial liabilities	-	2	(2)

The balance of *Derivative financial liabilities* recorded in the previous year referred to the fair value of instruments used by V-Valley Advanced Solutions España, S.A. to mitigate the exchange risk related to payables in foreign currency from suppliers.

36) Lease liabilities (current)

(euro/000)	30/06/2022	31/12/2021	Var.
Lease liabilities (current)	10,297	9,829	468

The liability is related to the Rights of use existing at the reference balance sheet dates.
The variation can be detailed as follows:

(euro/000)	30/06/2022	31/12/2021	Var.
Lease liabilities	**9,829**	**8,867**	**962**
Acquisition in business combination	-	-	-
Increase from subscribed contracts	-	576	(576)
Reclassification from non-current liabilities	5,685	9,855	(4,170)
Lease interest expenses	1,646	3,183	(1,537)
Payments	(6,863)	(12,569)	5,706
Termination/modification of contracts	-	(83)	83
Lease liabilities	**10,297**	**9,829**	**468**

32) Current provisions and other liabilities

Current provisions and other liabilities solely includes payables whose maturity is within the following 12 months.

(euro/000)	30/06/2022	31/12/2021	Var.
Social security liabilities (A)	**4,968**	**5,327**	**(359)**
Associates companies liabilities (B)	**-**	**-**	**-**
VAT payables	15,958	13,035	2,923
Withholding tax liabilities	573	488	85
Other tax liabilities	1,309	1,500	(191)
Other payables to Tax authorities (C)	**17,840**	**15,023**	**2,817**
Payables to personnel	9,966	11,246	(1,280)
Payables to customers	7,864	7,971	(107)
Payables to others	3,081	1,226	1,855
Total other creditors (D)	**20,911**	**20,443**	**468**
Accrued expenses and deferred income related to:			
- Accrued expenses for insurance costs	237	288	(51)
- Deferred income - advanced receivables	205	121	84
- Other deferred income	138	62	76
Accrued expenses and deferred income (E)	**580**	**471**	**109**
Provisions and other liabilities (F=A+B+C+D+E)	**44,299**	**41,264**	**3,035**

Social security liabilities mainly refer to payables to welfare institutions linked to wages and salaries paid in June and to social contributions accrued on deferred compensation, including monetary incentives.

VAT payables refer to the VAT payables accrued during the month of June by almost all Group companies.

Other tax liabilities are mainly taxes withheld on wages and salaries paid to employees during the month of June.

Payables to personnel refer to deferred monthly compensation (holidays not taken, year-end bonus, monetary incentives included) accrued at the balance sheet date.

Payables to customers refer mainly to credit notes issued and not yet paid relating to current trading relationships.

Payables to others include normally remunerations accrued by Directors and fees accrued and not paid to the Group's network of agents. The balance as at 30 June 2022 also includes 2.0 million euro relating to the payable that arose to shareholders for dividends from the profit for 2021, resolved in 2022 but still not collected as of said date.

Accrued expenses and deferred income are income and/or expenses whose accrual date is deferred/anticipated compared with the cash collection/expenditure.

51) Debts for investments in subsidiaries (current)

(euro/000)	30/06/2022	31/12/2021	Var.
Debts for investments in subsidiaries (current)	1,015	1,854	(839)

The item *Debts for investments in subsidiaries* as at 30 June 2022 refers to the consideration to be paid within twelve months in relation to the price for the purchase by the parent company Esprinet S.p.A. of the residual 15% of the share capital in the subsidiary Celly S.p.A. (0.1 million euro, purchase completed in October 2020), and all the shares and holdings of the companies Dacom S.p.A. (0.8 million euro) and idMAINT S.r.l. (0.1 million euro) acquired in January 2021.

5. Notes to income statement items

Sales and costs analysis of the period, having previously stated both the Group financial results and the sales by product family and customer type in the '*Interim Directors' Report on Operations*', are reported as follows:

33) Sales

Sales by geographic area

(euro/million)	H1 2022	%	H1 2021	%	% Var.	Q2 2022	%	Q2 2021	%	Var.	% Var.
Italy	1,298.0	59.6%	1,400.0	62.6%	-7%	607.6	58.5%	667.4	62.3%	(59.8)	-9%
Spain	807.2	37.1%	775.4	34.7%	4%	391.3	37.7%	369.9	34.5%	21.4	6%
Portugal	48.8	2.2%	40.4	1.8%	21%	25.8	2.5%	23.4	2.2%	2.4	10%
Other EU countries	15.3	0.7%	14.7	0.7%	4%	8.9	0.9%	7.9	0.7%	1.0	13%
Extra EU countries	9.3	0.4%	6.3	0.3%	48%	5.6	0.5%	2.2	0.2%	3.4	155%
Sales from contracts with clients	**2,178.6**	**100.0%**	**2,236.8**	**100.0%**	**-3%**	**1,039.2**	**100.0%**	**1,070.8**	**100.0%**	**(31.6)**	**-3%**

The Group recorded sales in Italy of 1,298.0 million euro (-7%) in a distribution market that, according to Context data, fell by 4%, in particular due to the negative performance of sales in the consumer area (-17% in the first six months of 2022, of which -11% in the first quarter and -22% in the second quarter). In Spain, the Group recorded sales of 807.2 million euro, +4% compared to the same period in 2021, outperforming a market which declined by 1%. Portugal, with sales of 48.8 million euro and growth of 21%, consolidated its share in a market, which reported an increase of +8%.

Sales by products and services

(euro/million)	H1 2022	%	H1 2021	%	% Var.	Q2 2022	%	Q2 2021	%	% Var.
Product sales	1,309.8	60.1%	1,413.8	63.2%	-7%	615.3	59.2%	674.5	63.0%	-9%
Services sales	8.2	0.4%	6.7	0.3%	22%	3.9	0.4%	3.5	0.3%	11%
Sales - Subgroup Italy	**1,318.0**	**60.5%**	**1,420.5**	**63.5%**	**-7%**	**619.2**	**59.6%**	**678.0**	**63.3%**	**-9%**
Product sales	859.9	39.5%	815.7	36.5%	5%	420.4	40.5%	392.7	36.7%	7%
Services sales	0.7	0.0%	0.6	0.0%	17%	(0.4)	0.0%	0.1	0.0%	-500%
Sales - Subgroup Spain	**860.6**	**39.5%**	**816.3**	**36.5%**	**5%**	**420.0**	**40.4%**	**392.8**	**36.7%**	**7%**
Sales from contracts with customers	**2,178.6**	**100.0%**	**2,236.8**	**100.0%**	**-3%**	**1,039.2**	**100.0%**	**1,070.8**	**100.0%**	**-3%**

The sales analysis by product family and customer type is presented under the relative paragraph in the '*Interim Directors' Report on Operation*' to which reference is made for further details.

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 sales 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)	H1 2022	%	H1 2021	%	Var.	% Var.	Q2 2022	%	Q2 2021	%	% Var.
Sales from contracts with customers as 'principal'	2,171.5	*99.7%*	2,230.5	*99.7%*	(59.0)	*-3%*	1,035.7	*99.7%*	1,067.6	*99.7%*	*-3%*
Sales from contracts with customers as 'agent'	7.1	*0.3%*	6.3	*0.3%*	0.8	*13%*	3.5	*0.3%*	3.2	*0.3%*	*9%*
Sales from contracts with customers	**2,178.6**	**100.0%**	**2,236.8**	**100.0%**	**(58.2)**	***-3%***	**1,039.2**	**100.0%**	**1,070.8**	**100.0%**	**-3%**

35) Gross profit

(euro/000)	H1 2022	%	H1 2021	%	% Var.	Q2 2022	%	Q2 2021	%	% Var.
Sales from contracts with customers	2,178,625	100.0%	2,236,823	100.0%	*-3%*	1,039,190	100.0%	1,070,785	100.0%	*-3%*
Cost of sales	2,064,446	94.8%	2,120,032	94.8%	*-3%*	982,308	94.5%	1,009,887	94.3%	*-3%*
Gross profit	**114,179**	**5.24%**	**116,791**	**5.22%**	***-2%***	**56,882**	**5.47%**	**60,898**	**5.69%**	***-7%***

Gross profit stood at 114.2 million euro, marking a decrease of -2% compared to 116.8 million euro recorded in the first half of 2021. The change in gross profit was caused by the decline in Sales not sufficiently offset by the improvement in the percentage margin, which went from 5.22% to 5.24%, also thanks to the greater incidence of high profit margin business lines, in line with the Group's strategy. In the second quarter alone, gross profit, amounting to 56.9 million euro, recorded a decrease of -7% compared to the same period of the previous year, with a percentage margin down from 5.69% to 5.47%.

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' or 'cash 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 latter effect was quantified at approximately 1.8 million euro for the six-month period under review, perfectly in line with the value of the corresponding period of the previous year.

37-38-39) Operating costs

(euro/000)	H1 2022	%	H1 2021	%	% Var.	Q2 2022	%	Q2 2021	%	% Var.
Sales from contracts with customers	**2,178,625**		**2,236,823**		***-3%***	**1,039,190**		**1,070,785**		***-3%***
Sales and marketing costs	36,341	1.67%	34,969	1.56%	*4%*	18,561	1.79%	18,877	1.76%	*-2%*
Overheads and administrative costs	48,802	2.24%	47,904	2.14%	*2%*	24,689	2.38%	24,669	2.30%	*0%*
Impairment loss/reversal of financial assets	(33)	0.00%	(141)	-0.01%	*-77%*	180	0.02%	(161)	-0.02%	*<-100%*
Operating costs	**85,110**	**3.91%**	**82,732**	**3.70%**	***3%***	**43,430**	**4.18%**	**43,385**	**4.05%**	***0%***
- of which non recurring	387	0.02%	-	0.00%	*NA*	387	0.04%	-	0.00%	*NA*
'Recurring' operating costs	**84,723**	**3.89%**	**82,732**	**3.70%**	***2%***	**43,043**	**4.14%**	**43,385**	**4.05%**	***-1%***

In the first half of 2022, operating costs, amounting to 85.1 million euro, increased by 2.4 million euro compared with the same period of 2021, with an incidence on Sales of 3.91%, an increase compared to 3.70% in the corresponding period of the previous year. In the second quarter alone, operating costs, equal to 43.4 million euro, were essentially in line with the same period of the previous year.

Operating costs in the first half of 2022 include 0.4 million euro in non-recurring expenses incurred by the parent company during the second quarter of 2022 in relation to the start of the process targeted at the launch of the voluntary Public Tender Offer for all of the ordinary shares of the Italian company Cellularline S.p.A.. Net of these items, operating costs in the first half of 2022 were up +2% compared to the corresponding period of the previous year, with a percentage incidence on Sales up to 3.89% from 3.70%, while in the second quarter alone, operating costs recorded a decrease of -1%, with a percentage incidence on Sales up to 4.14% from 4.05%.

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*'.

Amortisation, depreciation, write-downs and provisions

(euro/000)	H1 2022	%	H1 2021	%	% Var.	Q2 2022	%	Q2 2021	%	% Var.
Sales from contracts with customers	**2,178,625**		**2,236,823**		***-3%***	**1,039,190**		**1,070,785**		***-3%***
Depreciation of tangible assets	2,228	0.10%	2,106	0.09%	*6%*	1,130	0.11%	1,055	0.10%	*7%*
Amortisation of intangible assets	534	0.02%	176	0.01%	*>100%*	269	0.03%	91	0.01%	*>100%*
Depreciation of right-of-use assets	5,719	0.26%	5,375	0.24%	*6%*	2,966	0.29%	2,759	0.26%	*8%*
Amort. & depreciation	**8,481**	**0.39%**	**7,657**	**0.34%**	***11%***	**4,364**	**0.42%**	**3,905**	**0.36%**	***12%***
Accruals for risks and charges (B)	89	0.00%	99	0.00%	*-10%*	(12)	0.00%	44	0.00%	*<-100%*
Amort. & depr., write-downs, accruals for risks (C=A+B)	**8,570**	**0.39%**	**7,756**	**0.35%**	***10%***	**4,352**	**0.42%**	**3,949**	**0.37%**	***10%***

Labour costs and number of employees

The labour cost analysis for the period under review is detailed as follows:

(euro/000)	H1 2022	%	H1 2021	%	% Var.	Q2 2022	%	Q2 2021	%	% Var.
Sales from contracts with customers	**2,178,625**		**2,236,823**		***-3%***	**1,039,190**		**1,070,785**		***-3%***
Wages and salaries	32,542	1.49%	31,231	1.40%	*4%*	16,433	1.58%	15,859	1.48%	*4%*
Social contributions	9,452	0.43%	9,239	0.41%	*2%*	4,792	0.46%	4,698	0.44%	*2%*
Pension obligations	1,427	0.07%	1,252	0.06%	*14%*	740	0.07%	677	0.06%	*9%*
Other personnel costs	843	0.04%	537	0.02%	*57%*	289	0.03%	292	0.03%	*-1%*
Employee termination incentives	325	0.01%	123	0.01%	*164%*	176	0.02%	70	0.01%	*151%*
Share incentive plans	326	0.01%	210	0.01%	*55%*	163	0.02%	134	0.01%	*22%*
Total labour costs (1)	**44,915**	**2.06%**	**42,592**	**1.90%**	***5%***	**22,593**	**2.17%**	**21,730**	**2.03%**	***4%***

(1) Cost of temporary workers excluded.

As at 30 June 2022, the labour cost amounted to 44.9 million euro, an increase of +5% compared to the same period of the previous year, marking a less than proportional change with respect to the growth in the staff employed on average in the half compared to the same period of the previous year (+7%), due primarily to the different timing of the hires during the period, with some nonetheless taking place after 30 June 2021.

The item 'Share plans' refers to the pro-tempore costs of the 'Long-Term Incentive Plan' approved in April 2021, by the Shareholders' Meeting of Esprinet S.p.A.

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.	20	863	-	**883**	
Celly Pacific LTD	-	3	-	**3**	
Dacom S.p.A.	-	27	6	**33**	
idMAINT S.r.l.	-	14	-	**14**	
Erredi Deutschland GmbH	-	2	-	**2**	
Erredi France SARL	-	1	-	**1**	
Erredi Iberica SL	-	9	-	**9**	
Nilox Deutschland GmbH	-	-	-	**-**	
4Side S.r.l.	3	10	-	**13**	
V-Valley S.r.l.	-	-	-	**-**	
Subgroup Italy	**23**	**929**	**6**	**958**	**938**
Esprinet Iberica S.L.U.	-	271	78	**349**	
Vinzeo Technologies S.A.U.	-	219	-	**219**	
Esprinet Portugal Lda	-	49	-	**49**	
V-Valley Advanced Solutions España, S.A.	-	170	-	**170**	
Optima Logistics S.L.U.	-	-	-	**-**	
V-Valley Advanced Solutions Portugal, Unipessoal, Lda	-	-	-	**-**	
GTI Software & Networking SARLAU	-	14	-	**14**	
Subgroup Spain	**-**	**723**	**78**	**801**	**802**
Group as at 30 June 2022	**23**	**1,652**	**84**	**1,759**	**1,740**
Group as at 31 December 2021	**21**	**1,613**	**86**	**1,720**	**1,659**
Var 30/06/2022 - 31/12/2021	2	39	(2)	39	81
Var %	10%	2%	-2%	2%	5%
Group as at 30 June 2021	**23**	**1,532**	**95**	**1,650**	**1,624**
Var 30/06/2022 - 30/06/2021	-	120	(11)	109	116
Var %	0%	8%	-12%	7%	7%

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

Share incentive plans

On 22 April 2021, the rights to free assignment of the ordinary shares of Esprinet S.p.A. provided for in the 'Long-Term Incentive Plan' approved by the Shareholders' Meeting of the same on 7 April 2021 were assigned.
The Company currently owns only 63,655 of the ordinary shares underlying the above-mentioned Plan. Therefore, it will need to acquire the remaining amount relating to the 1,011,318 rights effectively granted.

The aforementioned plan was subject to 'fair value' accounting determined by applying the 'Black-Scholes' model, taking account of the dividend yield, of the volatility of the Esprinet share, of the risk-free interest rate level envisaged at the respective rights assignment dates and, in relation to the 'Double Up' component, the probability of the trend in the share in the vesting period of the Compensation plan.

The main elements of information and parameters used for the purposes of valuing the free allotment rights of the shares for the aforementioned Compensation plan are summarised in the following table.

	Plan 2021-2023 'Base' component	Plan 2021-2023 'Double Up' component
Allocation date	22/04/21	22/04/21
Vesting date	30/04/24	30/04/24
Expiry date	30/06/24	30/06/24
Total number of stock grant allocated	191,318	820,000
Total number of stock grant allowed	191,318	820,000
Unit fair value (euro)	11.29	5.16
Unit fair value (euro)	2,159,980	4,231,200
Rights subject to look-up (2 years)	25.0%	25.0%
Duration lock-up	2 years	2 years
Risk free interest rate	-0.4% (1)	-0.4% (1)
Implied volatily	40.6% (2)	40.6% (2)
Duration (years)	3	3
Spot price (3)	13.59	13.59
"Dividend yield"	3.8%	3.8%

(1) 3-year IRS (source: Bloomberg, 21 April 2021)

(2) 3-year volatility calculated on the basis of the official prices at the close of the stock market in the previous three-year period as at 22 April 2021

(3) Official price of Esprinet S.p.A. shares at grant date

Costs in the current income statement relating to the Share incentive plans with a contra-entry in the '*Reserves*' item in the statement of financial position, totalled 326 thousand euro with reference to employees (210 thousand euro in 2021) and 732 thousand euro with reference to directors (473 thousand euro in 2021).

42) Financial income and expenses

(euro/000)	H1 2022	%	H1 2021	%	% Var.	Q2 2022	%	Q2 2021	%	% Var.
Sales from contracts with customers	**2,178,625**		**2,236,823**		***-3%***	**1,039,190**		**1,070,785**		***-3%***
Interest expenses on borrowings	855	0.04%	977	0.04%	*-12%*	421	0.04%	509	0.05%	*-17%*
Interest expenses to banks	149	0.01%	56	0.00%	*>100%*	109	0.01%	52	0.00%	*>100%*
Other interest expenses	36	0.00%	1	0.00%	*>100%*	32	0.00%	1	0.00%	*>100%*
Upfront fees amortisation	263	0.01%	265	0.01%	*-1%*	126	0.01%	132	0.01%	*-5%*
Financial charges for actualization	-	0.00%	(3)	0.00%	*NA*	-	0.00%	(1)	0.00%	*NA*
IAS 19 expenses/losses	25	0.00%	10	0.00%	*>100%*	13	0.00%	5	0.00%	*>100%*
IFRS financial lease interest expenses	1,646	0.08%	1,581	0.07%	*4%*	844	0.08%	790	0.07%	*7%*
Derivatives ineffectiveness	-	0.00%	-	0.00%	*NA*	2	0.00%	-	0.00%	*NA*
Total financial expenses (A)	**2,974**	**0.14%**	**2,887**	**0.13%**	***3%***	**1,547**	**0.15%**	**1,488**	**0.14%**	***4%***
Interest income from banks	(2)	0.00%	(3)	0.00%	*-33%*	(1)	0.00%	(2)	0.00%	*-50%*
Interest income from others	(61)	0.00%	(26)	0.00%	*>100%*	(76)	-0.01%	(8)	0.00%	*>100%*
Derivatives ineffectiveness	-	0.00%	17	0.00%	*NA*	-	0.00%	13	0.00%	*NA*
Total financial income(B)	**(63)**	**0.00%**	**(12)**	**0.00%**	***>100%***	**(77)**	**-0.01%**	**3**	**0.00%**	***<-100%***
Net financial exp. (C=A+B)	**2,911**	**0.13%**	**2,875**	**0.13%**	***1%***	**1,470**	**0.14%**	**1,491**	**0.14%**	***-1%***
Foreign exchange gains	(738)	-0.03%	(625)	-0.03%	*18%*	(447)	-0.04%	(306)	-0.03%	*46%*
Foreign exchange losses	2,100	0.10%	1,495	0.07%	*40%*	1,412	0.14%	102	0.01%	*>100%*
Net foreign exch. (profit)/losses (D)	**1,362**	**0.06%**	**870**	**0.04%**	***57%***	**965**	**0.09%**	**(204)**	**-0.02%**	***<-100%***
Net financial (income)/costs (E=C+D)	**4,273**	**0.20%**	**3,745**	**0.17%**	***14%***	**2,435**	**0.23%**	**1,287**	**0.12%**	***89%***

The overall balance of financial income and expenses, a negative 4.3 million euro, rose by 0.5 million euro (+14%) compared to the same period in the previous year, essentially as a result of the negative trends recorded in the euro/US dollar exchange rate from the start of 2022.

In the second quarter of 2021 alone, the balance of financial income and expenses, a negative 2.4 million euro, showed an increase compared to 1.3 million euro in the corresponding period of the previous year, again as a result of exchange rate management.

45) Taxes

(euro/000)	H1 2022	%	H1 2021	%	% Var.	Q2 2022	%	Q2 2021	%	% Var.
Sales from contracts with customers	2,178,625		2,236,823		-3%	1,039,190		1,070,785		-3%
Current and deferred taxes	6,764	0.31%	8,264	0.37%	-18%	3,059	0.29%	4,384	0.41%	-30%
Profit before taxes	24,796		30,314			11,017		16,226		
Tax rate	27%		27%			28%		27%		

Estimated income taxes for the first half, amounting to 6.8 million euro, recorded a decrease of -18% compared to the corresponding period of 2021, due to a lower tax base with a tax rate essentially in line with the same period of the previous year.
Also with reference to the second quarter alone, the reduction in taxes is mainly due to a lower tax base, with the difference in the tax rate instead negligible (28% compared to 27%).

46) Net income and earnings per share

(euro/000)	H1 2022	H1 2021	Var.	% Var.	Q2 2022	Q2 2021	Var.	% Var.
Net income attributable to Group	18,032	22,128	(4,096)	-19%	7,958	11,895	(3,937)	-33%
Weighed average no. of shares in circulation: basic	49,406,099	49,674,365			49,406,099	49,565,812		
Weighed average no. of shares in circulation: diluted	50,011,922	50,189,388			50,021,563	49,523,612		
Earnings per share in euro - basic	0.36	0.45	(0.09)	-20%	0.16	0.24	-0.08	-33%
Earnings per share in euro - diluted	0.36	0.44	(0.08)	-18%	0.16	0.24	-0.08	-33%

For the purposes of calculating 'basic' earnings per share, the 1,011,318 own shares on hand were excluded (1,528,024 rights as at 31 December 2021, reduced in compliance with the resolution of 14 April 2022 cancelling 516,706 rights).

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).

6. Other significant information

6.1 Cash flow analysis

As shown in the following table, due to the trends in cash flows development reported in the *Consolidated statement of cash flows*, as at 30 June 2022, the Esprinet Group recorded a negative net financial indebtedness of 256.9 million euro, compared with a negative 104.9 million euro as at 30 June 2021.

(euro/000)	H1 2022	H1 2021
Net financial debt at year-beginning	**(227,177)**	**(302,777)**
Cash flow provided by (used in) operating activities	(447,544)	(316,190)
Cash flow provided by (used in) investing activities	(5,137)	(13,143)
Cash flow provided by (used in) changes in net equity	(24,587)	(47,093)
Total cash flow	**(477,268)**	**(376,426)**
Unpaid interests	(615)	(557)
Unpaid leasing interests	(270)	(259)
Lease liabilities posting	(5,900)	(16,934)
Net Financial debts (no cash) acquisitions	-	(10,224)
Deferred price acquisitions	-	(3,239)
Net financial debt at year-end	**256,876**	**104,862**
Short-term financial liabilities	101,320	73,407
Lease liabilities	10,297	9,668
Customers financial receivables	(10,450)	(8,562)
Current financial (assets)/liabilities for derivatives	-	(2)
Financial receivables from factoring companies	(1,080)	(994)
Current Debts for investments in subsidiaries	1,015	1,959
Cash and cash equivalents	(41,937)	(180,608)
Net current financial debt	**59,165**	**(105,132)**
Borrowings	94,528	102,437
Lease liabilities	102,468	105,827
Non current Debts for investments in subsidiaries	715	1,730
Net financial debt at year-beginning	**256,876**	**104,862**

6.2 Financial indebtedness and loans covenants

As set forth in 'Warning notice no. 5/21' issued by CONSOB on 29 April 2021, the following table provides information relating to the '*financial indebtedness*'(or also 'net financial position') determined in substantial compliance with the criteria indicated by the European Securities and Markets Authority ('ESMA') in the document called 'Guidelines on disclosure obligations' of 4 March 2021.

With reference to the same table, it should be underlined that financial indebtedness, measured according to the ESMA criteria, coincides with the notion of 'Net financial payables' for the Group.

(euro/000)	30/06/2022	31/12/2021	30/06/2021
A. Bank deposits and cash on hand	41,935	491,471	180,604
B. Cheques	3	-	4
C. Other current financial assets	11,529	12,986	9,558
D. Liquidity (A+B+C)	53,467	504,457	190,166
E. Current financial debt	66,646	31,155	53,001
F. Current portion of non current debt	45,986	35,726	32,033
G. Current financial indebtedness (E+F)	112,632	66,881	85,034
H. Net current financial indebtedness (G-D)	**59,165**	**(437,576)**	**(105,132)**
I. Non-current financial debt	197,711	210,399	209,994
J. Debt instruments	-	-	-
K. Trade payables and other non-current payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	**197,711**	**210,399**	**209,994**
M. Net financial indebtedness (H+L)	**256,876**	**(227,177)**	**104,862**
Breakdown of net financial indebtedness:			
Short-term financial liabilities	101,320	55,195	73,407
Lease liabilities	10,297	9,829	9,668
Current debts for investments in subsidiaries	1,015	1,854	1,959
Current financial (assets)/liabilities for derivatives	-	2	(2)
Other current financial receivables	(10,450)	(9,857)	(8,562)
Financial receivables from factoring companies	(1,080)	(3,128)	(994)
Cash and cash equivalents	(41,937)	(491,471)	(180,608)
Net current financial debt	**59,165**	**(437,576)**	**(105,132)**
Other non - current financial receivables	-	-	-
Non - current debts for investments in subsidiaries	715	1,615	1,730
Borrowings	94,528	106,531	102,437
Lease liabilities	102,468	102,253	105,827
Net financial debt	**256,876**	**(227,177)**	**104,862**

The Group's net financial position, negative for 256.9 million euro, corresponds to a net balance of gross financial payables of 195.8 million euro, payables for purchase of equity investments of 1.7 million euro, financial receivables of 11.5 million euro, financial lease liabilities of 112.8 million euro, and cash and cash equivalents equal to 41.9 million euro.

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 non-recourse sale of receivables revolving programme focusing on selected customer segments, especially in GDO, continued during the first half of 2022 in both Italy and Spain as part of the processes aimed at the structural optimisation of the management of working capital. In addition to this, the securitisation programme for additional trade receivables also continued during the period, launched in Italy in July 2015 and renewed uninterruptedly every three years, most recently in July

2021. Considering the fact that the aforementioned programmes entail the full transfer of the risks and benefits to the assignees, the receivables subject to assignment are eliminated from balance sheet assets in compliance with IFRS 9. The overall effect on the level of net financial payables as at 30 June 2022 is quantified at roughly 382.3 million euro (around 561.0 million euro as at 31 December 2021 and 342.3 million euro as at 30 June 2021).

With regard to medium/long-term financial debt, the table below shows, separately for each lender, the principal amount of loans due within and beyond the next financial year, broken down into 'Italian Subgroup' and 'Iberian Subgroup'. It should be noted that the amounts shown may differ from the individual carrying amounts because the latter are representative of the amortised cost calculated by applying the effective interest rate method.

(euro/000)	30/06/2022			31/12/2021			Var.		
	Curr.	Non curr.	Tot.	Curr.	Non curr.	Tot.	Curr.	Non curr.	Tot.
Carige	987	4,013	5,000	-	-	-	987	4,013	5,000
Banco Desio	2,637	5,363	8,000	-	-	-	2,637	5,363	8,000
BCC Carate	1,233	8,767	10,000	1,277	10,000	11,277	(44)	(1,233)	(1,277)
Intesa Sanpaolo (GdF loan)	-	-	-	497	-	497	(497)	-	(497)
Intesa Sanpaolo	126	-	126	251	-	251	(125)	-	(125)
Banca Popolare di Sondrio	5,040	2,550	7,590	5,000	5,080	10,080	40	(2,530)	(2,490)
Cassa Depositi e Prestiti	7,000	17,500	24,500	7,000	21,000	28,000	-	(3,500)	(3,500)
BPER Banca	6,126	9,025	15,151	3,436	12,016	15,452	2,690	(2,991)	(301)
Unicredit	1,103	-	1,103	1,201	502	1,703	(98)	(502)	(600)
Total Subgroup Italy	**24,252**	**47,218**	**71,470**	**18,662**	**48,598**	**67,260**	**5,590**	**(1,380)**	**4,210**
Banco Sabadell	4,779	7,698	12,477	4,006	9,811	13,817	773	(2,113)	(1,340)
Bankia	-	-	-	-	-	-	-	-	-
Ibercaja	3,270	3,423	6,693	3,258	5,060	8,318	12	(1,637)	(1,625)
Bankinter	1,601	6,254	7,855	1,428	7,187	8,615	173	(933)	(760)
La Caixa	6,108	14,469	20,577	4,240	17,845	22,085	1,868	(3,376)	(1,508)
Kutxabank	750	-	750	750	375	1,125	-	(375)	(375)
Cajamar	1,769	4,000	5,769	1,763	4,386	6,149	6	(386)	(380)
BBVA	2,338	7,662	10,000	1,113	8,887	10,000	1,225	(1,225)	-
Santander	1,119	3,881	5,000	506	4,494	5,000	613	(613)	-
Total Subgroup Iberica	**21,734**	**47,387**	**69,121**	**17,064**	**58,045**	**75,109**	**4,670**	**(10,658)**	**(5,988)**
Total Group	**45,986**	**94,605**	**140,591**	**35,726**	**106,643**	**142,369**	**10,260**	**(12,038)**	**(1,778)**

The table below shows the carrying amounts in principal of the loans reported above, which include those guaranteed by the Spanish State through the Instituto de Crédito Oficial ('ICO') as part of the measures adopted by the Spanish Government to help businesses tackle COVID-19.

(euro/000)	30/06/2022	31/12/2021	Var.
Pool loan 'GdF' (agent: Intesa Sanpaolo) to Esprinet S.p.A. repayable in yearly instalments by January 2022	-	497	(497)
Unsecured loan (agent: Carige) to Esprinet S.p.A. repayable in six-monthly instalments by May 2025	5,000	-	5,000
Unsecured loan (agent: Banco Desio) to Esprinet S.p.A. repayable in six-monthly instalments by June 2025	8,000	-	8,000
Unsecured loan (agent: BCC Carate) to Esprinet S.p.A. repayable in six-monthly instalments by March 2022	-	1,277	(1,277)
Unsecured loan (agent: BCC Carate) to Esprinet S.p.A. repayable in six-monthly instalments by December 2026	10,000	10,000	-
Unsecured loan (agent: BPER Banca) to Esprinet S.p.A. repayable in six-monthly instalments by December 2024	15,000	15,000	-
Unsecured loan (agent: Banca Popolare di Sondrio) to Esprinet S.pA repayable in quarterly instalments by November 2023	7,590	10,080	(2,490)
Unsecured loan (agent: Cassa Depositi e Prestiti S.p.A.) to Esprinet S.p.A. repayable in six-monthly instalments by December 2025	24,500	28,000	(3,500)
Unsecured loan (agent: Intesa Sanpaolo) to idMAINT repayable in quarterly instalments by October 2022	126	251	(125)
Unsecured loan (agent: BPER Banca) to Dacom S.p.A. repayable in monthly instalments by September 2022	151	452	(301)
Unsecured loan (agent: Unicredit) to Dacom S.p.A. repayable in monthly instalments by May 2023	1,103	1,703	(600)
Unsecured loan (agent: Banco Sabadell) to Esprinet Iberica repayable in quarterly instalments by March 2024	1,787	2,290	(503)
Unsecured loan (agent: La Caixa) to Esprinet Iberica repayable in quarterly instalments by February 2024	3,577	4,584	(1,007)
Unsecured loan (agent: Ibercaja) to Esprinet Iberica repayable in quarterly instalments by February 2024	3,541	4,548	(1,007)
Unsecured loan (agent: Bankinter) to Esprinet Iberica repayable in quarterly instalments by February 2022	-	760	(760)
Secured loan "ICO" (agent: Banco Sabadell) to Esprinet Iberica repayable in monthly instalments by June 2026	3,000	3,000	-
Secured loan "ICO" (agent: La Caixa) to Esprinet Iberica repayable in monthly instalments by June 2026	5,000	5,000	-
Secured loan "ICO" (agent: BBVA) to Esprinet Iberica repayable in monthly instalments by June 2026	5,000	5,000	-
Secured loan "ICO" (agent: La Caixa) to Esprinet Iberica repayable in six-monthly instalments by July 2026	2,500	2,500	-
Secured loan "ICO" (agent: Bankinter) to Esprinet Iberica repayable in quaterly instalments by July 2026	4,250	4,250	-
Unsecured loan (agent: Cajamar) to Vinzeo S.A.U repayable in yearly instalments by December 2024	3,027	3,027	-
Unsecured loan (agent: Ibercaja) to Vinzeo S.A.U repayable in six-monthly instalments by November 2024	3,151	3,770	(619)
Unsecured loan (agent: Banco Sabadell) to Vinzeo S.A.U repayable in six-monthly instalments by June 2023	1,690	2,526	(836)
Unsecured loan (agent: Banco Sabadell) to Vinzeo S.A.U repayable in monthly instalments by July 2026	6,000	-	6,000
Unsecured loan (agent: La Caixa) to Vinzeo S.A.U repayable in quarterly instalments by May 2024	2,000	2,500	(500)
Unsecured loan (agent: Banco Kutxabanka) to Vinzeo S.A.U repayable in six-monthly instalments by March 2023	750	1,125	(375)
Unsecured loan (agent: Cajamar) to Vinzeo S.A.U repayable in six-monthly instalments by July 2025	2,742	3,123	(381)
Secured loan "ICO" (agent: Banco Sabadell) to Vinzeo S.A.U repayable in monthly instalments by June 2025	-	6,000	(6,000)
Secured loan "ICO" (agent: La Caixa) to Vinzeo S.A.U repayable in monthly instalments by June 2026	5,000	5,000	-
Secured loan "ICO" (agent: Bankinter) to Vinzeo S.A.U repayable in quaterly instalments by July 2026	3,606	3,606	-
Secured loan "ICO" (agent: Banco Santander) to Vinzeo S.A.U repayable in monthly instalments by July 2026	5,000	5,000	-
Secured loan "ICO" (agent: BBVA) to Vinzeo S.A.U repayable in monthly instalments by July 2026	5,000	5,000	-
Secured loan "ICO" (agent: La Caixa) to Vinzeo S.A.U repayable in six-monthly instalments by July 2026	2,500	2,500	-
Total book value	**140,591**	**142,369**	**(1,778)**

Some of the medium/long-term loans listed above are secured by typical economic-financial covenant structures for transactions of said kind, that contain standard acceleration clauses for reimbursements in the event they are not respected.

Two unsecured 'amortising' 5-year loans expiring in February 2024, granted to the subsidiary Esprinet Iberica S.L.U. for a total value of 7.1 million euro in principal as at 30 June 2022, require the annual commitment of observance of (i) a given ratio of extended net financial indebtedness to EBITDA at consolidated level and (ii) a maximum value of medium/long-term loans in favour of Esprinet Iberica.

The unsecured amortising 5-year loan granted to Esprinet S.p.A. by Cassa Depositi e Prestiti S.p.A., expiring in December 2025, for a total of 24.5 million euro in principal as at 30 June 2022, also provides for the annual commitment of observance of a given ratio of net financial indebtedness to EBITDA at consolidated level, but also half-yearly observance of a given ratio of consolidated net financial indebtedness to shareholders' equity.

In addition to medium/long-term loans, also an 'unsecured' 3-year RCF-Revolving Credit Facility, expiring in September 2022, and cancelled on 31 August 2022 in conjunction with the subscription of a new RCF as specified in the section '*Significant events in the period* to which reference should be made, taken out by Esprinet S.p.A. with a pool of domestic and international banks for a total of 152.5 million euro and not drawn down in the first half of 2022, is secured by the following structure of financial covenants, to be verified every six months on the basis of the data of the consolidated and certified financial statements:

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

As at 30 June 2022, all covenants to which the various loans are subject, including the Revolving Credit Facility, according to management estimates (as the same must be verified in the consolidated financial statements and certified by the independent auditors), were respected.

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 that, at the date of drafting of this report, were respected.

6.3 Relationships with related parties

The details of the number and type of operations with related parties, the total value of which however is insignificant in relation to the overall volume of the Group's business operations, can be found under '*Relationships with related parties*' to which reference should be made.

6.4 Non-recurring significant events and operations

In the first half of 2022, the following non-recurring items were identified:

- miscellaneous costs, totalling 0.4 million euro, relating primarily to advisory services, incurred by the parent company Esprinet S.p.A in relation to the start of the process targeted at the launch of the voluntary Public Tender Offer for all of the ordinary shares of the Italian company Cellularline S.p.A..

In the corresponding period of 2021, no non-recurring transactions and events were identified.

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

(euro/000)	Non - Recurring Charge Type	H1 2022	H1 2021	Var.	Q2 2022	Q2 2021	Var.
Overheads and administrative costs	Business combination	387	-	387	387	-	387
Total SG&A	**Total SG&A**	**387**	**-**	**387**	**387**	**-**	**387**
Operating Income (EBIT)	**Operating Income (EBIT)**	**387**	**-**	**387**	**387**	**-**	**387**
Profit before income taxes	**Profit before income taxes**	**387**	**-**	**387**	**387**	**-**	**387**
Income tax expenses	Non -recurring events impact	(108)	-	(108)	(108)	-	(108)
Net income/(loss)	**Net income/(loss)**	**279**	**-**	**279**	**279**	**-**	**279**

6.5 Seasonal nature of business

The table below highlights the impact of sales per calendar quarter in the two-year period 2020-2021:

	2021			2020		
	Group	Italy	Iberica	Group	Italy	Iberica
Sales Q1	24.9%	25.7%	23.6%	20.3%	22.0%	18.0%
Sales Q2	22.8%	23.4%	21.9%	20.5%	21.4%	18.8%
Sales H1	**47.7%**	**49.1%**	**45.5%**	**40.8%**	**43.4%**	**36.8%**
Sales Q3	20.8%	20.6%	21.3%	25.0%	24.2%	26.3%
Sales Q4	31.6%	30.4%	33.3%	34.1%	32.3%	36.9%
Sales H2	**52.3%**	**50.9%**	**54.5%**	**59.2%**	**56.6%**	**63.2%**
Sales for the year	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The IT and electronic markets both in Italy and in Spain are traditionally characterised by seasonal sales, which involve an increase in demand in the fourth quarter of the calendar year, essentially in terms of purchases concentrated in the pre-Christmas and the so-called 'back-to-school' seasons to consumers and by the spending dynamics of budgets dedicated to IT investments, which are statistically concentrated around the months of November and December.

The seasonal nature of IT and electronics Sales has an influence both on the business volumes of the distribution industry and on the sales volumes of the Esprinet Group.
The winter trend provides a contrast to the drop in demand in the summer months, in August, in particular. As a result of the increasing reluctance to suspend work during the summer months, this last trend also appears to be re-dimensioning, particularly in the business sector.

In addition to the above, operating results are also seasonal, but even more so than those of sales since the absolute profit margin levels track the seasonal nature of sales, while overheads tend to be more regular during the year.
The seasonal nature of sales described above also has an influence on the portion of borrowings that is closely linked to working capital needs, which peak in the last part of each calendar year.

The level of net borrowings fluctuates dramatically not only throughout the calendar year but also during each month, due for the most part to the concentration of payments received from customers at the end and middle of each month, while the maturities of payments to suppliers are distributed more evenly over the month.
For this reason, the figure resulting at the end of the period, or at the end of each month, is not particularly representative of the average net financial indebtedness customarily observable during the same period.

The circumstances described above give rise to higher financial and commercial risk levels for the Group compared with businesses, which are less subject to seasonal fluctuations.

6.6. Financial instruments pursuant to IFRS 9: classes of risk and fair value

The following table illustrates together the financial instrument items in the statement of financial position and the financial assets and liabilities categories in accordance with accounting standard IFRS 9:

Assets	**30/06/2022**				**31/12/2021**			
(euro/000)	**Carrying amount**	**Financial assets at FVTPL (1)**	**Financial assets amortized cost**	**Out of scope IFRS 9**	**Carrying amount**	**Financial assets at FVTPL (1)**	**Financial assets amortized cost**	**Out of scope IFRS 9**
Guarantee deposits	*2,328*		*2,328*		*2,422*		*2,422*	
Receiv and other non-curr. Assets	2,328		2,328	-	2,422		2,422	-
Non-current assets	**2,328**	**-**	**2,328**	**-**	**2,422**	**-**	**2,422**	**-**
Trade receivables	506,397	129,224	377,173		585,522	147,225	438,297	
Receivables from factors	*1,080*		*1,080*		*3,128*		*3,128*	
Customer financial receivables	*10,450*		*10,450*		*9,857*		*9,857*	
Other tax receivables	*34,200*			*34,200*	*36,658*		*-*	*36,658*
Receivables from suppliers	*7,590*		*7,590*		*13,753*		*13,753*	
Receivables from insurances	*3,060*		*3,060*		*2,852*		*2,852*	
Receivables from employees	*5*		*5*		*16*		*16*	
Receivables from others	*156*		*156*		*152*		*152*	
Pre-payments	*5,352*			*5,352*	*3,914*			*3,914*
Rec.and other curr. Assets	61,893		22,341	39,552	70,330		29,758	40,572
Derivative financial assets	-	-			-	-		
Cash and cash equivalents	41,937		41,937		491,471		491,471	
Current assets	**610,227**	**129,224**	**441,451**	**39,552**	**1,147,323**	**147,225**	**959,526**	**40,572**

Liabilities	**30/06/2022**				**31/12/2021**			
(euro/000)	**Carrying amount**	**Financial liabilities FVTPL (1)**	**Financial liabilities amortized cost**	**Out of scope IFRS 9**	**Carrying amount**	**Financial liabilities FVTPL (1)**	**Financial liabilities amortized cost**	**Out of scope IFRS 9**
Borrowings	94,528		94,528		106,531		106,531	
Lease liabilities	102,468		102,468		102,253		102,253	
Debts for investments in subsidiaries	715		715		1,615		1,615	
Provisions of pensions	*1,742*			*1,742*	*1,694*			*1,694*
Other provisions	*417*			*417*	*619*			*619*
Cash incentive liabilities	*256*		*256*		*224*		*224*	
Provis. and other non-curr. Liab	2,415		256	2,159	2,537		224	2,313
Non-current liabilities	**200,126**	**-**	**197,967**	**2,159**	**212,936**	**-**	**210,623**	**2,313**
Trade payables	882,120		882,120		1,190,856		1,190,856	
Short-term financial liabilities	101,320		101,320		55,195		55,195	
Lease liabilities	10,297		10,297		9,829		9,829	
Derivative financial liabilities	-	-			2	2	-	
Debts for investments in subsidiaries	1,015		1,015		1,854		1,854	
Social security liabilities	*4,968*		*4,968*		*5,327*		*5,327*	
Other tax liabilities	*17,840*			*17,840*	*15,023*			*15,023*
Payables to others	*20,911*		*20,911*		*20,443*		*20,443*	
Accrued expenses	*237*		*237*		*288*		*288*	
Deferred income	*343*			*343*	*183*			*183*
Provisions and other liabilities	44,299	-	26,116	18,183	41,264	-	26,058	15,206
Current liabilities	**1,039,051**	**-**	**1,020,868**	**18,183**	**1,299,000**	**2**	**1,283,792**	**15,206**

(1) 'FVTPL': Fair Value Through Profit and Loss includes derivatives at fair value through profit and loss.

For further details about the contents of individual balance sheet items please see the analyses provided in the specific sections in the section '*Notes to the statement of financial position items*'. The fair value measurement of financial assets and liabilities reported in the financial statements as provided for by IFRS 9 and as governed by IFRS 7 and IFRS 13, grouped by classes of risk, and the methods and the assumptions applied in their determination, are as follows:

Assets	**30/06/2022**						**31/12/2021**					
		Fair value						**Fair value**				
(euro/000)	**Carrying amount**	**Trade receiv.**	**Financial receiv.**	**Receiv. from others**	**Receiv. from insurance**	**Receiv. From employee**	**Carrying amount**	**Trade receiv.**	**Financial receiv.**	**Receiv. from others**	**Receiv. from insurance**	**Receiv. From employee**
Customer financial receivables	-		-				-		-			
Guarantee deposits	*2,328*		-	*2,218*			*2,422*		-	*2,384*		
Rec.and other non-curr. Assets	2,328	-	-	2,218	-	-	2,422	-	-	2,384	-	-
Non - current assets	**2,328**	**-**	**-**	**2,218**	**-**	**-**	**2,422**	**-**	**-**	**2,384**	**-**	**-**
Trade receivables	506,397	506,397					585,522	585,522				
Receiv. from factors	*1,080*		*1,080*				*3,128*		*3,128*			
Customer financial receivables	*10,450*		*10,450*				*9,857*		*9,857*			
Receiv. from suppliers	*7,590*			*7,590*			*13,753*			*13,753*		
Receiv. from insurances	*3,060*				*3,060*		*2,852*				*2,852*	
Receiv. from employees	*5*					*5*	*16*					*16*
Receiv. from others	*156*			*156*			*152*			*152*		
Rec.and other curr. Assets	22,341	-	11,530	7,746	3,060	5	29,758	-	12,985	13,905	2,852	16
Derivate Financial Assets	-		-				-		-			
Cash and cash equivalents	41,937		41,937				491,471		491,471			
Current assets	**570,675**	**506,397**	**53,467**	**7,746**	**3,060**	**5**	**1,106,751**	**585,522**	**504,456**	**13,905**	**2,852**	**16**

Liabilities	**30/06/2022**					**31/12/2021**				
		Fair value					**Fair value**			
(euro/000)	**Carrying amount**	**Trade payables**	**Financial payables**	**FVTPL derivate**	**Other payables**	**Carrying amount**	**Trade payables**	**Financial payables**	**FVTPL derivate**	**Other payables**
Borrowings	94,528		87,357			106,531		105,649		
Debts for investments in subsidiaries	715		673			1,615		1,635		
Cash incentive liabilities	*256*				*256*	*224*				*224*
Provis. and other non-curr. Liab.	256				256	224				224
Non-current liabilities	**95,499**	**-**	**88,030**	**-**	**256**	**108,370**	**-**	**107,284**	**-**	**224**
Trade payables	882,120	882,120				1,190,856	1,190,856			
Short-term financial liabilities	101,320		102,030			55,195		56,424		
Derivative financial liabilities	-			-		2			2	
Debts for investments in subsidiaries	1,015		1,015			1,854		1,854		
Social security liabilities	4,968				4,968	5,327				5,327
Payables to others	20,911				20,911	20,443				20,443
Accrued expenses	237				237	288				288
Provis. and other Liab	26,116				26,116	26,058				26,058
Current liabilities	**1,010,571**	**882,120**	**103,045**	**-**	**26,116**	**1,273,965**	**1,190,856**	**58,278**	**2**	**26,058**

IFRS 13 identifies a hierarchy of assessment techniques based on three levels:

- Level 1: the data used in the assessments is represented by prices quoted on markets where assets and liabilities identical to those being assessed are traded;
- Level 2: the data used in the assessments, other than listed prices referred to in Level 1, are observable for the financial asset or liability, both directly (prices) and indirectly (derived from prices);
- Level 3: non-observable data; where observable data is not available and, therefore, there is little or no market activity for the assets and liabilities being assessed.

Assets and liabilities recorded in the financial statements at fair value, as specified in greater detail below, corresponds to a level 2 in the hierarchy with the exception of 'Trade receivables (portion not measured at amortised cost)', which corresponds to level 3.

Given their short-term maturity, the gross carrying value of current assets and liabilities (excluding items specially measured) is deemed a reasonable approximation of their fair value.

The fair value of non-current assets and financial payables, including payables for equity investment in subsidiaries, was estimated by discounting expected future cash flows from principal and interest, according to the terms and the maturity dates of each agreement, and using the interest curve at the balance sheet date, as adjusted for the effects of DVA (*Debit Value Adjustment*) and the CVA (*Credit Value Adjustment*).

The interest rates used were obtained from the 'Forward' and the 'Spot' Curve as at 31 December, as published by financial providers, plus any spread provided for by the agreement (such spread was not taken into account in applying the market interest curve for discounting cash flows). Since all inputs entered in the valuation model were based on observable market data instruments are classified at hierarchy level 2.

As shown in the preceding tables, no reclassifications among hierarchic levels were made. Please refer to the 'Derivatives analysis' paragraph for more information relating to existing derivative instruments.

Adjustments to the value of financial assets, estimated following a precise assessment of the solvency of each debtor and, at mass level, of the estimates of Expected Credit Losses recorded on existing loans and receivables at the annual or interim reporting date, were shown under the item 'Impairment loss/reversal of financial assets' in the separate income statement. These adjustments totalled 33 thousand euro in releases in the first half of 2022 (0.1 million euro in negative adjustments in the first half of 2021).

6.7 Hedging derivatives analysis

Introduction

The Esprinet Group enters into derivative contracts in order to hedge certain loan agreements against fluctuating interest rates by means of a cash flow hedging strategy.
The aim of these transactions hedging against interest rate risk is to fix the funding cost of medium/long-term floating-rate loans by entering into derivative contracts enabling receipt of a floating rate in return for payment of a fixed rate.
Hedging operations are therefore reported in the financial statements according to the instructions of the IFRS 9 accounting principle regarding 'hedge accounting' and in order to verify the hedge effectiveness, the Group periodically carries out effectiveness tests.

Derivative instruments as at the closing date of 30 June 2022

At the end of the first half of 2022, the Group did not have any hedging derivatives in place.

Derivative instruments extinguished as at the closing date of 30 June 2022

At the end of the first half of 2022, the Group did not extinguish any hedging derivatives.

6.8 Non-hedging derivatives analysis

During the period, no non-hedging derivative transactions were entered into, while during the previous period, some forward foreign currency (USD) purchase transactions were entered into in response to the supplier payment forecasts; the volume of these transactions and the economic impacts were insignificant.

6.9 Subsequent events

Relevant events occurred after period end are described in the 'Subsequent events' paragraph of the Interim Directors' Report on Operations, to which reference is made for more information.

6.10 Emoluments to board members and key managers

Information regarding emoluments both of Esprinet S.p.A. Board of Directors and Statutory Auditors, and of the Group key managers are described as follows in relation to positions held in Group companies.

The amounts below presented include all employee benefits on accrual basis, non-monetary benefits and the emoluments received as board members and statutory auditors of the Group companies.

(euro/000)	H1 2022			H1 2021		
	Emolument	Fringe benefit	Total	Emolument	Fringe benefit	Total
Board of Directors	1,521	4	1,525	1,328	4	1,332
Other key managers	505	-	505	446	-	446
Subtotal	**2,026**	**4**	**2,030**	**1,774**	**4**	**1,778**
Board of Statutory Auditors	65	-	65	71	-	71
Total	**2,091**	**4**	**2,095**	**1,845**	**4**	**1,849**

As defined by accounting standard IAS 24 and quoted by CONSOB Resolution no. 17221 of 12 March 2010, 'key managers are those persons having authority and responsibility for directly or indirectly planning, directing and controlling the activities of the entity preparing the financial statements, including any director (whether executive or otherwise) of that entity'.

The Board of Directors, the Board of Statutory Auditors and the Group Chief Operating Officer are deemed to be key managers in the Esprinet Group.

Vimercate, 13 September 2022

On behalf of the Board of Directors
The Chairman

Maurizio Rota

Statement on the 'Condensed consolidated half-year financial statements' pursuant to Article 154-bis Legislative Decree no. 58/98

1. The undersigned Alessandro Cattani, Chief Executive Officer of Esprinet S.p.A and Pietro Aglianò, executive charged with drawing up the Esprinet S.p.A. accounting documents, hereby declare, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the Company; and
- the effective application

of the administrative and accounting procedures used in drawing up the condensed consolidated half-year financial statements as at 30 June 2022, in the first half of 2022.

2. The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the condensed consolidated half-year financial statements as at 30 June 2022 was effected in accordance with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, a generally internationally-accepted reference framework.

3. We further declare that:

3.1 The condensed consolidated half-year financial statements:

a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) no. 1606/2002 of the European Parliament and Council, dated 19 July 2002;
b) correspond to the amounts shown in the Company's accounts, books and records;
c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

3.2 The Interim Directors' Report on Operations contains a reliable analysis of the significant events that affected the Group during the first six months of the year and their impact on the condensed consolidated half-year statements, as well as a description of the main risks and uncertainties for the remaining six months of the year. The Interim Directors' Report on Operations also includes reliable information regarding significant operations with related parties.

Vimercate, 13 September 2022

Chief Executive Officer
of Esprinet S.p.A.

(Alessandro Cattani)

Executive charged with drawing up
the company accounting documents
of Esprinet S.p.A.

(Pietro Aglianò)

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Esprinet SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Esprinet SpA and its subsidiaries (the Esprinet Group) as of 30 June 2022, comprising the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flow statement and related notes. The directors of Esprinet SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of the Esprinet Group as of 30 June 2022 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 13 September 2022

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers