



**PIAGGIO
GROUP**

**Interim Report on Operations
as of 31 March 2022**

This report is available on the Internet at:

www.piaggiogroup.com

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Management and Coordination

IMMSI S.p.A.

Share capital €207,613,944.37, fully paid up

Registered office: Viale R. Piaggio 25, Pontedera (Pisa)

Pisa Register of Companies and Tax Code 04773200011

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Piaggio Group

Interim Directors' Report

Introduction

Article 154 ter, paragraph 5 of the Consolidated Law on Finance, as amended by Legislative Decree no. 25/2016, no longer requires issuers to publish an interim report on operations for the first and third quarters of the financial year. This law gives CONSOB the possibility of requiring issuers, on the outcome of a specific impact analysis and through its own regulations, to publish interim financial information in addition to the annual report and half-year financial report.

Considering the above, the Piaggio Group has decided to continue publishing its interim report on operations for the first and third quarters of each financial year on a voluntary basis, to guarantee continual, regular disclosure to the financial community.

Mission

We are dedicated to the mobility of people and things through high-value products and services that redesign and improve our lifestyles.



We are committed to broadening the horizons of our brands and products by constantly promoting technological innovation, uniqueness of design, attention to quality and safety, respecting communities and the environment.



We are customer-driven. The customer's satisfaction, safety, pleasure and emotions come first. We develop products to customer requirements, accompanying the changes in the ecosystem within which customers move.

We believe in people as our fundamental heritage, in their skills and genius, and we do so consistently with our deepest values, such as integrity, transparency, equal opportunities, respect for individual dignity and diversity.



For these reasons, we are not just vehicle manufacturers.

Through technological and social progress, we champion global mobility, in a responsible and sustainable way. Our aim is to make the quality of our life and that of future generations better.



Health emergency - COVID-19

At the end of March 2022, the epidemiological situation had generally improved, with various governments gradually withdrawing the extraordinary measures adopted in the last few years to counteract the spread of the virus.

The only area which is still a cause for concern is China, where, in the face of an increase in cases, government authorities have issued lockdown measures in some regions.

The Group is closely monitoring developments in the situation and will take all possible precautions to guarantee employees' health at its sites and its commitments made with the sales network and with customers.

The pandemic has made the need for safe personal transport increasingly important among the population – to the detriment of public transport, which is seen as a potential vector of transmission.

The Group will continue to work to seize the opportunities presented by potential growth in demand, offering products that guarantee safe travel with low or no environmental impact.

Russia-Ukraine Crisis

The Piaggio Group is following with considerable attention developments in the Russia-Ukraine conflict, which has triggered increases in commodity and energy costs, could have significant repercussions on the world economy, also following the sanctions already in force or still being defined. The extreme geographical diversification of the Group's sales and purchases means that it has basically no exposure in the conflict area.

Key operating and financial data

	1st Quarter		Full year
	2022	2021	2021
<i>In millions of Euros</i>			
Key operating data			
Net revenues	455.8	384.7	1,668.7
Gross industrial margin	116.8	111.2	462.5
Operating income	27.7	23.5	112.6
Profit before tax	20.4	18.5	93.7
Net profit	12.7	11.1	60.1
.Non-controlling interests			
.Group	12.7	11.1	60.1
Key financial data			
Net capital employed (NCE)	858.6	839.3	784.4
Consolidated net debt	(441.1)	(448.6)	(380.3)
Shareholders' equity	417.5	390.7	404.1
Balance sheet figures and financial ratios			
Gross margin as a percentage of net revenues (%)	25.6%	28.9%	27.7%
Net profit as a percentage of net revenues (%)	2.8%	2.9%	3.6%
ROS (Operating income/net revenues)	6.1%	6.1%	6.7%
ROE (Net profit/shareholders' equity)	3.0%	2.8%	14.9%
ROI (Operating income/NCE)	3.2%	2.8%	14.4%
EBITDA	60.1	56.0	240.6
EBITDA/net revenues (%)	13.2%	14.6%	14.4%
Other information			
Sales volumes (unit/000)	141.8	135.0	536.0
Investments in property, plant and equipment and intangible assets	26.6	35.6	154.1
Employees at the end of the period (number)	6,332	6,468	5,702

Results by operating segments

		EMEA and AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
Sales volumes (units/000)	1-1/31-3-2022	65.5	35.5	40.8	141.8
	1-1/31-3-2021	53.4	50.9	30.7	135.0
	Change	12.1	(15.4)	10.1	6.7
	Change %	22.6%	-30.3%	32.8%	5.0%
Turnover (million Euros)	1-1/31-3-2022	284.1	65.6	106.1	455.8
	1-1/31-3-2021	233.0	80.3	71.4	384.7
	Change	51.1	(14.7)	34.7	71.2
	Change %	21.9%	-18.3%	48.6%	18.5%
Average number of staff (no.)	1-1/31-3-2022	3,832.0	1,445.7	1,073.3	6,351.0
	1-1/31-3-2021	3,677.0	1,621.7	977.3	6,276.0
	Change	155.0	(176.0)	96.0	75.0
	Change %	4.2%	-10.9%	9.8%	1.2%
Investment in property Property, plant and equipment and intangible assets (million Euros)	1-1/31-3-2022	19.0	3.9	3.7	26.6
	1-1/31-3-2021	29.0	4.1	2.4	35.6
	Change	(10.0)	(0.2)	1.3	(8.9)
	Change %	-34.6%	-4.7%	54.2%	-25.1%

Company boards

Board of Directors

Chairman and Chief Executive Officer

Roberto Colaninno ^{(1), (2)}

Deputy Chairman

Matteo Colaninno

Directors

Michele Colaninno

Graziano Gianmichele Visentin ^{(3), (4), (5), (6), (7)}

Rita Ciccone ^{(4), (5), (6), (7)}

Patrizia Albano

Federica Savasi

Micaela Vescia ^{(4), (6)}

Andrea Formica ^{(5), (7)}

Board of Statutory Auditors

Chairman

Piera Vitali

Statutory Auditors

Giovanni Barbara

Massimo Giaconia

Alternate Auditors

Fabrizio Piercarlo Bonelli

Gianmarco Losi

Supervisory Body

Antonino Parisi

Giovanni Barbara

Fabio Grimaldi

Chief Financial Officer and Executive in Charge of financial reporting

Alessandra Simonotto

Independent Auditors

Deloitte & Touche S.p.A.

Board Committees

Appointment Proposal Committee

Remuneration Committee

Audit, Risk and Sustainability Committee

Related-Party Transactions Committee

⁽¹⁾ Director responsible for the internal control system and risk management

⁽²⁾ Executive Director

⁽³⁾ Lead Independent Director

⁽⁴⁾ Member of the Appointment Proposal Committee

⁽⁵⁾ Member of the Remuneration Committee

⁽⁶⁾ Member of the Audit, Risk and Sustainability Committee

⁽⁷⁾ Member of the Related-Party Transactions Committee

All information on the powers reserved for the Board of Directors, the authority granted to the Chairman and CEO, as well as the functions of the various Committees of the Board of Directors, can be found in the Governance section of the Issuer's website www.piaggiogroup.com.

Significant events during the first quarter of 2022

20 January 2022 - The Piaggio Group presented the results of a new study that explores and analyses the value of the Vespa brand, identifying it as a key asset in its portfolio. The study conducted by Interbrand, a global leader in brand consultancy, indicates Vespa as "a unique and globally recognised brand, thanks to its perfect combination of design, lifestyle and Italian tradition" and attests to the economic value of the Vespa brand of €906 million.

7 February 2022 - The placement with European and Asian banks of a loan on the Schuldschein market for a total of €115 million was completed. The transaction launched in October 2021 for an initial amount of €50 million was increased in relation to the amount of orders collected. This was an important transaction for Piaggio on the Schuldschein market, both for the uptake and the qualifying structure of the 3, 5 and 7 year maturities. The financing will be used to refinance maturing debt by contributing to the diversification of lenders as well as strengthening the solid liquidity profile thanks to a longer average duration of debt.

10 March 2022 - The Piaggio Group and Santander Consumer Finance (Santander) signed a long-term global collaboration agreement, for the development of financial retail services to support the Piaggio Group's sales structure and distribution network on local markets.

18 March 2022 - On the occasion of the first MotoGP race in Indonesia, the Piaggio Group announced the development of a new plant in Jakarta, which will be built on an area of 55,000 square metres, and is expected to be inaugurated by the end of the year. At the same time, the Group presented the new Aprilia SR GT scooter to Asian markets at the Lombok circuit.

25 March 2022 - During celebrations to mark the 30th anniversary party of the National Territorial Emergency Services, the Piaggio MP3 Life Support three-wheeler scooter was presented to the Italian Red Cross (CRI). The Piaggio MP3 Life Support is already used by the national territorial emergency services in several countries, including the United Kingdom, France, Australia, and Israel which, with more than 650 vehicles available, has made this vehicle the leading light of its Emergency Response fleet.

Financial position and performance of the Group

Consolidated income statement (reclassified)

	1st Quarter 2022		1st Quarter 2021		Change	
	<i>In millions of Euros</i>	<i>Accounting for a %</i>	<i>In millions of Euros</i>	<i>Accounting for a %</i>	<i>In millions of Euros</i>	<i>%</i>
Net revenues	455.8	100.0%	384.7	100.0%	71.2	18.5%
Cost to sell ¹	339.1	74.4%	273.5	71.1%	65.6	24.0%
Gross industrial margin¹	116.8	25.6%	111.2	28.9%	5.6	5.0%
Operating expenses	89.1	19.5%	87.6	22.8%	1.5	1.7%
Operating income	27.7	6.1%	23.5	6.1%	4.1	17.5%
Result of financial items	(7.2)	-1.6%	(5.0)	-1.3%	(2.2)	43.6%
Profit before tax	20.4	4.5%	18.5	4.8%	1.9	10.4%
Taxes	7.8	1.7%	7.4	1.9%	0.4	4.9%
Net profit	12.7	2.8%	11.1	2.9%	1.6	14.1%
Operating income	27.7	6.1%	23.5	6.1%	4.1	17.5%
Amortisation/depreciation and impairment costs	32.4	7.1%	32.5	8.4%	(0.1)	-0.3%
EBITDA¹	60.1	13.2%	56.0	14.6%	4.0	7.2%

Net revenues

	1st Quarter 2022	1st Quarter 2021	Change
<i>In millions of Euros</i>			
EMEA and Americas	284.1	233.0	51.1
India	65.6	80.3	(14.7)
Asia Pacific 2W	106.1	71.4	34.7
TOTAL NET REVENUES	455.8	384.7	71.2
Two-wheelers	374.0	296.9	77.1
Commercial Vehicles	81.8	87.8	(5.9)
TOTAL NET REVENUES	455.8	384.7	71.2

In terms of consolidated turnover, the Group closed the first three months of 2022 with higher net revenues compared to the same period of 2021 (+18.5%).

As regards the type of products sold, the increase mainly referred to two-wheeler vehicles (+26.0%).

Commercial Vehicles, on the other hand, recorded a decrease (-6.8%) following the difficulties on the Indian market as a result of the downturn in the cargo segment. As a result, the percentage of Commercial Vehicles accounting for overall turnover went down from 22.8% in the first three months of 2021 to the current figure of 18.0%; vice versa, the percentage of Two-Wheeler vehicles accounting for overall turnover rose from 77.2% in the first three months of 2021 to the current figure of 82.0%.

¹ For a definition of the parameter, see the "Economic Glossary".

The Group's **gross industrial margin** rose compared to the first three months of the previous year (+5.0%), accounting for 25.6% of turnover (28.9% in the first three months of 2021).

Amortisation/depreciation included in the gross industrial margin was equal to €9.7 million (€9.1 million in the first three months of 2021).

Operating expenses incurred in the period went up compared to the same period of the previous financial year (+1.7%), amounting to €89.1 million. This performance is closely linked to the increase in turnover and vehicles sold.

The above-described change in the income statement resulted in an increase in consolidated **EBITDA**, which stood at €60.1 million (€56.0 million in the first three months of 2021). In relation to turnover, EBITDA was equal to 13.2% (14.6% in the first three months of 2021).

Operating income (**EBIT**) amounted to €27.7 million, again an increase on the first three months of 2021; in relation to turnover, EBIT was equal to 6.1%, as in the first three months of 2021.

The result of **financial items** recorded Net Charges of €7.2 million (€5.0 million in the first three months of 2021). The deterioration was mainly due to the negative impact of currency management.

Income taxes for the period amounted to €7.8 million, equivalent to 38% of profit before tax.

Net profit stood at €12.7 million (2.8% of turnover), up on the figure for the same period of the previous financial year, when it amounted to €11.1 million (2.9% of turnover).

Operating data

Vehicles sold

	1st Quarter 2022	1st Quarter 2021	Change
<i>In thousands of units</i>			
EMEA and Americas	65.5	53.4	12.1
India	35.5	50.9	(15.4)
Asia Pacific 2W	40.8	30.7	10.1
TOTAL VEHICLES	141.8	135.0	6.7
Two-wheelers	119.0	103.2	15.8
Commercial Vehicles	22.8	31.9	(9.1)
TOTAL VEHICLES	141.8	135.0	6.7

In the first three months of 2022, the Piaggio Group sold 141,800 vehicles worldwide, recording an increase compared to the first three months of the previous year, when 135,000 vehicles had been sold (+5.0%). Sales were up in Emea and Americas (+22.6%) and Asia Pacific (+32.8%), while in India a decrease of 30.3% was recorded. As regards product type, sales of Two-Wheeler vehicles grew (+15.3%) while sales of Commercial Vehicles fell (-28.5%).

Workforce

During the first three months of 2022, the average workforce increased overall in all geographical areas, with the exception of India.

Average number of company employees by geographic segment

<i>Employee/staff numbers</i>	1st Quarter 2022	1st Quarter 2021	Change
EMEA and Americas	3,832.0	3,677.0	155.0
<i>of which Italy</i>	<i>3,560.0</i>	<i>3,406.7</i>	<i>153.3</i>
India	1,445.7	1,621.7	(176.0)
Asia Pacific 2W	1,073.3	977.3	96.0
Total	6,351.0	6,276.0	75.0

As of 31 March 2022, Group employees totalled 6,332, up by 630 compared to 31 December 2021.

Breakdown of company employees by geographic segment

<i>Employee/staff numbers</i>	As of 31 March 2022	As of 31 December 2021	As of 31 March 2021
EMEA and Americas	3,824	3,295	3,855
<i>of which Italy</i>	<i>3,550</i>	<i>3,026</i>	<i>3,585</i>
India	1,441	1,328	1,633
Asia Pacific 2W	1,067	1,079	980
Total	6,332	5,702	6,468

Consolidated statement of financial position²

	As of 31 March 2022	As of 31 December 2021	Change
<i>In millions of Euros</i>			
Statement of financial position			
Net working capital	(122.0)	(196.0)	74.0
Property, plant and equipment	278.7	283.0	(4.4)
Intangible assets	720.7	720.2	0.5
Rights of use	30.9	30.7	0.1
Financial assets	11.3	11.2	0.0
Provisions	(60.9)	(64.8)	3.9
Net capital employed	858.6	784.4	74.2
Net financial debt	441.1	380.3	60.7
Shareholders' equity	417.5	404.1	13.4
Sources of financing	858.6	784.4	74.2
Non-controlling interests	(0.2)	(0.1)	(0.0)

Net working capital as of 31 March 2022, which was negative by €-122.0 million, used cash for approximately €74.0 million in the first three months of 2022.

Property, plant and equipment amounted to €278.7 million as of 31 March 2022, registering a decrease of approximately €4.4 million compared to 31 December 2021. This reduction is mainly due to depreciation, the value of which exceeded investments for the period by approximately €4.2 million.

Intangible assets totalled €720.7 million, up by approximately €0.5 million compared to 31 December 2021. This growth is mainly due to investments for the period, the value of which exceeded amortisation by approximately €0.5 million.

Rights of use, equal to €30.9 million, represent the current value of future operating lease payments, as required by the adoption of the new accounting standard IFRS 16.

Financial assets which total €11.3 million, were essentially in line with the figures for the previous year.

Provisions totalled €60.9 million, down compared to 31 December 2021 (€64.8 million).

As fully described in the next section on the "Consolidated Statement of Cash Flows", **net financial debt** as of 31 March 2022 was equal to €441.1 million, compared to €380.3 million as of 31 December 2021. The increase of approximately €60.7 million is mainly due to the seasonal

² For a definition of individual items, see the "Economic Glossary".

nature of two-wheelers which, as is well known, uses resources in the first part of the year and generates them in the second half.

Net financial debt decreased by approximately €7.5 million compared to 31 March 2021.

The Group's **shareholders' equity** as of 31 March 2022 totalled €417.5 million, up by approximately €13.4 million compared to 31 December 2021.

Consolidated Statement of Cash Flows

The consolidated statement of cash flows prepared in accordance with the models provided by international financial reporting standards (IFRS) is shown in the "Consolidated Condensed Interim Financial Statements as of 31 March 2022"; the following is a comment relating to the summary statement shown.

	1st Quarter 2022	1st Quarter 2021	Change
<i>In millions of Euros</i>			
Change in Consolidated Net Debt			
Opening Consolidated Net Debt	(380.3)	(423.6)	43.3
Cash Flow from Operating Activities	39.3	41.7	(2.3)
(Increase)/Reduction in Net Working Capital	(74.0)	(38.3)	(35.8)
Investment activities	(26.6)	(35.6)	8.9
Other changes	(0.2)	(0.4)	0.2
Change in Shareholders' Equity	0.8	7.6	(6.9)
Total Change	(60.7)	(24.9)	(35.8)
Closing Consolidated Net Debt	(441.1)	(448.6)	7.5

In the first three months of 2022, the Piaggio Group used **financial resources** amounting to €60.7 million.

Cash flow from operating activities, defined as net profit, minus non-monetary costs and income, was equal to €39.3 million.

Working capital involved a cash flow of approximately €74.0 million; in detail:

- the collection of trade receivables³ used financial flows for a total of €56.6 million;
- stock management absorbed financial flows for a total of approximately €72.1 million;
- supplier payment trends generated financial flows of approximately €55.6 million;
- the movement of other non-trade assets and liabilities had a negative impact on cash flows by approximately €0.9 million.

Investing activities involved a total of €26.6 million of financial resources.

Other changes, which mainly include changes in right of use assets and other changes in property, plant and equipment and intangible assets, absorbed €0.2 million.

³ Net of customer advances.

As a result of the above financial dynamics, which involved a cash flow of €60.7 million, the **net debt** of the Piaggio Group amounted to €441.1 million, a €7.5 million improvement on the same period of the previous year.

Alternative non-GAAP performance measures

In accordance with Consob Communication DEM/6064293 of 28 July 2006 as amended (Consob Communication 0092543 of 3 December 2015 that enacts ESMA/2015/1415 guidelines on alternative performance measures), Piaggio, in its Report on Operations, refers to some alternative performance measures, in addition to IFRS financial measures (Non-GAAP Measures).

These are presented in order to measure the trend of the Group's operations to a better extent and should not be considered as an alternative to IFRS measures.

In particular the following alternative performance measures have been used:

- **EBITDA:** defined as "Operating income" before the amortisation/depreciation and impairment costs of intangible assets, property, plant and equipment and rights of use, as resulting from the consolidated income statement;
- **Gross industrial margin:** defined as the difference between net revenues and the cost to sell;
- **Cost to sell:** this includes costs for materials (direct and consumables), accessory purchase costs (transport of incoming material, customs, warehousing), employee costs for direct and indirect manpower and related expenses, work carried out by third parties, energy costs, depreciation of property, plant, machinery and industrial equipment, maintenance and cleaning costs net of sundry cost recovery recharged to suppliers;
- **Net debt:** this consists of gross financial debt, including payables for rights of use, minus cash on hand and other cash and cash equivalents, as well as other current financial receivables. Net debt does not include other financial assets and liabilities arising from the fair value measurement of financial derivatives used as hedging and otherwise, and the fair value adjustment of related hedged items and associated deferrals. The notes to the Consolidated Financial Statements include a table indicating the statement of financial position items used to determine the measure.

Results by type of product

The Piaggio Group is comprised of and operates by geographic segments (EMEA and Americas, India and Asia Pacific) to develop, manufacture and distribute two-wheeler and commercial vehicles.

Each Geographic Segment has production sites and a sales network dedicated to customers in that geographic segment. In particular:

- EMEA and Americas have production sites and deal with the distribution and sale of two-wheeler and commercial vehicles;
- India has production sites and deals with the distribution and sale of two-wheeler and commercial vehicles;
- Asia Pacific 2W has production sites and deals with the distribution and sale of two-wheeler vehicles.

For details of final results from each operating segment, reference is made to the Notes to the Consolidated Financial Statements.

Two-wheelers

Two-wheelers	1st Quarter 2022		1st Quarter 2021		Change %		Change	
	Volumes Sell-in (units/000)	Turnover (million Euros)	Volumes Sell-in (units/000)	Turnover (million Euros)	Volumes	Turnover	Volumes	Turnover
EMEA and Americas	62.5	251.5	49.0	204.2	27.5%	23.2%	13.5	47.3
of which EMEA	58.1	227.3	45.5	188.0	27.6%	20.9%	12.6	39.3
<i>(of which Italy)</i>	<i>10.6</i>	<i>47.7</i>	<i>11.1</i>	<i>47.7</i>	<i>-4.9%</i>	<i>0.1%</i>	<i>(0.5)</i>	<i>0.0</i>
of which America	4.4	24.2	3.5	16.2	25.8%	49.5%	0.9	8.0
India	15.7	16.4	23.4	21.3	-33.1%	-23.1%	(7.8)	(4.9)
Asia Pacific 2W	40.8	106.1	30.7	71.4	32.8%	48.6%	10.1	34.7
TOTAL	119.0	374.0	103.2	296.9	15.3%	26.0%	15.8	77.1
Scooters	105.6	243.6	93.9	201.8	12.4%	20.7%	11.7	41.8
Motorcycles	13.4	100.3	9.3	64.9	44.8%	54.5%	4.1	35.4
Spare Parts and Accessories		29.4		29.6		-0.8%		(0.2)
Other		0.7		0.5		33.3%		0.2
TOTAL	119.0	374.0	103.2	296.9	15.3%	26.0%	15.8	77.1

Two-wheeler vehicles can mainly be grouped into two product segments, scooters and motorcycles. In addition to the related spare parts and accessories business, the sale of engines to third parties, involvement in main two-wheeler sports championships and technical service.

The world two-wheeler market comprises two macro areas, which clearly differ in terms of characteristics and scale of demand: economically advanced countries (Europe, United States, Japan) and emerging nations (Asia Pacific, China, India, Latin America).

In the first macro area, which is a minority segment in terms of volumes, the Piaggio Group has a historical presence, with scooters meeting the need for mobility in urban areas and motorcycles for recreational purposes.

In the second macro area, which in terms of sales, accounts for most of the world market and is the Group's target for expanding operations, two-wheeler vehicles are the primary mode of transport.

Background

In Europe, the Piaggio Group's reference area, the two-wheeler market sold 341,092 vehicles in the first quarter of 2022, a 10.5% increase compared to the first three months of 2021 (+14.5% for the motorcycle segment and +6.2% for the scooter segment).

In Italy, the scooter segment saw a decrease of 16.0%, while the motorcycle segment registered a growth of 21.6%.

North America's two-wheeler market increased slightly in the first three months of 2022 compared to the same period of the previous year (+0.4%). The motorcycle market, which accounts for 95.8% of the overall market, decreased by 0.8%, while the scooter market rose by 40.0%.

In Vietnam, the Asian nation with most Group vehicles, sales increased overall by 7.4%.

In India, the two-wheeler market recorded a drop (-23.0%) in the first three months of 2022 compared to the same period of the previous year, due to a decrease in the scooter segment (-23.6%) and in the motorcycle segment (-22.4%).

Main results

In the first three months of 2022, the Piaggio Group sold a total of 119,000 two-wheeler vehicles worldwide, accounting for a net turnover equal to approximately €374.0 million, including spare parts and accessories (€29.4 million, -0.8%).

The excellent performance recorded in Emea and Americas (+27.5% volumes; +23.2% turnover) and Asia Pacific (+32.8% volumes; +48.6% turnover) more than offset the decline recorded in India (-33.1% volumes; -23.1% turnover; -26.1% at constant exchange rates). Overall, volumes grew by 15.3% while turnover went up by 26.0%.

Market positioning⁴

On the European two-wheeler market, the Piaggio Group achieved a total share of 11.6% in the first three months of 2022, slightly down on the share held in the first quarter of 2021 (13.2%). The leadership position in the scooter segment was confirmed (21.0% in the first quarter of 2022 compared to 23.5% in the first three months of 2021).

In Italy, the Piaggio Group's market share has gone from 20.4% in the first quarter of 2021 to 14.9% in the same period of 2022. The Group held a 24.4% share in the scooter segment (32.3% in the first three months of 2021) and a 6.2% share in the motorcycle segment (4.8% in the first three months of 2021).

In India, in the first three months of 2022, the Group recorded a decrease in sell-out volumes compared to the same period of the previous year, closing at 14,854 vehicles (-23.4%).

The Group's position on the North American scooter market decreased, where it ended the period with a share of 25.3% (32.9% in the first quarter of 2021).

⁴ Market shares for the first three months of 2021 might differ from figures published in the previous year, due to final vehicle registration data, which some countries publish with a few months' delay, being updated.

Commercial Vehicles

Commercial Vehicles	1st Quarter 2022		1st Quarter 2021		Change %		Change	
	Volumes Sell-in	Turnover	Volumes Sell-in	Turnover	Volumes	Turnover	Volumes	Turnover
	(units/000)	(million Euros)	(units/000)	(million Euros)				
EMEA and Americas	3.0	32.6	4.4	28.8	-32.5%	13.2%	(1.4)	3.8
<i>of which EMEA</i>	0.9	10.7	2.2	11.3	-60.5%	-5.5%	(1.3)	(0.6)
<i>(of which Italy)</i>	1.3	20.2	1.1	15.8	17.4%	27.9%	0.2	4.4
<i>of which America</i>	0.8	1.8	1.1	1.7	-27.3%	1.1%	(0.3)	0.0
India	19.8	49.2	27.5	58.9	-27.8%	-16.5%	(7.6)	(9.7)
TOTAL	22.8	81.8	31.9	87.8	-28.5%	-6.8%	(9.1)	(5.9)
Ape	21.1	43.6	30.5	56.5	-30.9%	-22.8%	(9.4)	(12.9)
Porter	1.7	25.5	1.3	18.5	26.2%	38.2%	0.4	7.1
Spare Parts and Accessories		12.7		12.8		-0.8%		(0.1)
TOTAL	22.8	81.8	31.9	87.8	-28.5%	-6.8%	(9.1)	(5.9)

The Commercial Vehicles category includes three- and four-wheelers with a maximum mass below 3.5 tons (category N1 in Europe) designed for commercial and private use, and related spare parts and accessories.

Background

Europe

In the first three months of 2022, registrations on the European market (including the UK) of light commercial vehicles (gross vehicle weight less than or equal to 3.5 tons), in which the Piaggio Group operates, decreased by 21.7% (data source ACEA). Demand decreased in each of the key markets: France (-24.2%), Germany (-13.6%), Italy (-5.3%) and Spain (-35.7%).

India

Sales on the Indian three-wheeler market, where Piaggio Vehicles Private Limited, a subsidiary of Piaggio & C. S.p.A. operates, went down from 86,760 units in the first three months of 2021 to 83,218 units in the same period of 2022, registering a 4.1% decrease. On this market, the fall was due entirely to the cargo vehicles segment, which recorded a considerable drop in units (-21.3%) from 29,080 in the first three months of 2021 to 22,890 units in the first three months of 2022. The passenger vehicle segment, on the other hand, grew by 4.6%, from 57,680 units in the first quarter of 2021 to 60,328 units in the first three months of 2022.

Main results

During the first three months of 2022, the Commercial vehicles business generated a turnover of approximately €81.8 million, down by 6.8% compared to the same period of the previous year.

The decline was caused by the drop in India (-16.5%; -20.3% at constant exchange rates) following a 27.8% drop in volumes.

The Indian affiliate Piaggio Vehicles Private Limited (PVPL) sold 13,977 three-wheelers on the Indian market (21,804 in the first three months of 2021).

The Indian affiliate also exported 5,836 three-wheeler vehicles (5,653 in the first quarter of 2021).

The Emea and Americas area, on the other hand, showed a positive trend in turnover (+13.2%) despite the decline in volumes (-32.5%).

Market positioning⁵

The Piaggio Group operates in Europe and India on the light commercial vehicles market, with products designed for short-range mobility in urban areas (European urban centres) and suburban areas (the product range for India).

The Group is also present in India, in the passenger vehicle and cargo sub-segments of the three-wheeler market, where it is market leader.

On the Indian three-wheeler market, Piaggio has a market share of 16.8% (25.1% in the first quarter of 2021). Detailed analysis of the market shows that Piaggio lost its leadership position in the goods transport segment (cargo segment) with a share of 32.2% (37.8% in the first three months of 2021). In the passenger segment Piaggio decreased its share closing at 10.9%, (18.7% in the first quarter of 2021).

⁵ Market shares for the first three months of 2021 might differ from figures published in the previous year, due to final vehicle registration data, which some countries publish with a few months' delay, being updated.

Events occurring after the end of the period

3 April 2022 - Aprilia triumphed in the Argentine Grand Prix, with Aleix Espargarò taking the first victory in the MotoGP class. For the Noale manufacturer, one of the most successful brands in the history of motorcycling, this was the 295th victory in the World Championship, the first in the new four-stroke era of top two-wheeler competition after the countless successes in the 125 and 250cc classes.

20 April 2022 - pre-booking of the exclusive Vespa Sprint designed by international pop star Justin Bieber was launched. The JUSTIN BIEBER X VESPA is available in 50, 125 and 150cc engine versions.

Operating outlook

Despite forecasts that are still complex overall, because of ongoing critical aspects concerning commodity price increases, logistics, geopolitical tensions and developments in the pandemic, Piaggio will continue its growth path, thanks to a portfolio of brands unique in the world, confirming planned investments in new products and new plants and strengthening its commitment to ESG issues.

In this general framework, the Group will continue to work as always to meet its commitments and objectives, maintaining a constant focus on the efficient management of its economic and financial structure, to respond flexibly and immediately to the challenges of the coming months.

Transactions with related parties

Revenues, costs, receivables and payables as of 31 March 2022 involving parent companies, subsidiaries and affiliates refer to the sale of goods or services which are a part of normal operations of the Group.

Transactions are carried out at normal market values, depending on the characteristics of the goods and services provided.

Information on related-party transactions, including the information required by Consob communication no. DEM/6064293 of 28 July 2006 is presented in the "Notes to the consolidated financial statements".

Economic glossary

Net working capital: defined as the net sum of: Trade receivables, Other current and non-current receivables, Inventories, Trade payables, Other current and non-current payables, Current and non-current tax receivables, Deferred tax assets, Current and non-current tax payables and Deferred tax liabilities.

Property, plant and equipment: consist of property, plant, machinery and industrial equipment, net of accumulated depreciation, investment property and assets held for sale.

Intangible assets: consist of capitalised development costs, costs for patents and know-how and goodwill arising from acquisition/merger operations carried out by the Group.

Rights of use: refer to the discounted value of lease payments due, as provided for by IFRS 16.

Financial assets: defined by the Directors as the sum of investments, other non-current financial assets and the fair value of financial liabilities.

Provisions: consist of retirement funds and employee benefits, other long-term provisions and the current portion of other long-term provisions.

Gross industrial margin: defined as the difference between Revenues and the corresponding Cost to sell of the period.

Cost to sell: include the cost for materials (direct and consumables), accessory purchase costs (transport of incoming material, customs, movements and warehousing), employee costs for direct and indirect manpower and related expenses, work carried out by third parties, energy costs, depreciation of property, plant, equipment and industrial equipment, external maintenance and cleaning costs net of sundry cost recovery recharged to suppliers.

Operating expenses: consist of employee costs, costs for services, leases and rentals, and additional operational expenditure net of operating income not included in the gross industrial margin. Operating expenses also include amortisation and depreciation not included in the calculation of the gross industrial margin.

Consolidated EBITDA: defined as "Operating income" before the Amortisation/depreciation and impairment costs of intangible assets, property, plant and equipment and rights of use, as resulting from the Consolidated Income Statement.

Net capital employed: determined as the algebraic sum of Net fixed assets, Net working capital and Provisions.

In some cases, data could be affected by rounding off defects due to the fact that figures are represented in millions of Euros; changes and percentages are calculated from figures in thousands of Euros and not from rounded off figures in millions of Euros.

Piaggio Group

Condensed Interim Financial Statements as of 31 March 2022

Consolidated Income Statement

	Notes	1st Quarter 2022		1st Quarter 2021	
		Total	of which related parties	Total	of which related parties
<i>In thousands of Euros</i>					
Net revenues	4	455,818		384,653	3
Cost for materials	5	291,801	14,001	235,420	3,706
Cost for services and leases and rentals	6	65,076	307	57,960	556
Employee costs	7	65,310		60,671	
Depreciation and impairment costs of property, plant and equipment	8	12,068		11,528	
Amortisation and impairment costs of intangible assets	8	18,270		18,986	
Depreciation of rights of use	8	2,073		1,985	
Other operating income	9	32,654	103	31,725	99
Net reversals (impairment) of trade and other receivables	10	(972)		(1,027)	
Other operating costs	11	5,237		5,263	11
Operating income		27,665		23,538	
Income/(loss) from investments	12	(67)	(67)	51	51
Financial income	13	349		297	
Borrowing costs	13	5,695	20	6,510	27
Net exchange gains/(losses)	13	(1,826)		1,121	
Profit before tax		20,426		18,497	
Taxes for the period	14	7,762		7,399	
Profit from continuing operations		12,664		11,098	
Assets held for sale:					
Profits or losses arising from assets held for sale	15				
Net Profit (loss) for the period		12,664		11,098	
Attributable to:					
Owners of the Parent		12,664		11,098	
Non-controlling interests		0		0	
Earnings per share (figures in €)	16	0.035		0.031	
Diluted earnings per share (figures in €)	16	0.035		0.031	

Consolidated Statement of Comprehensive Income

<i>In thousands of Euros</i>	Notes	1st Quarter 2022	1st Quarter 2021
Net Profit (loss) for the period (A)		12,664	11,098
Items that will not be reclassified in the income statement			
Remeasurements of defined benefit plans	40	1,370	205
Total		1,370	205
Items that may be reclassified in the income statement			
Profit (loss) deriving from the translation of financial statements of foreign companies denominated in foreign currency	40	(1,272)	4,010
Share of Other Comprehensive Income of subsidiaries/associates valued with the equity method	40	269	478
Total profits (losses) on cash flow hedges	40	594	2,935
Total		(409)	7,423
Other comprehensive income (B)*		961	7,628
Total Profit (loss) for the period (A + B)		13,625	18,726
* The other components of the comprehensive income account for the related tax effects			
Attributable to:			
Owners of the Parent		13,653	18,718
Non-controlling interests		(28)	8

Consolidated Statement of Financial Position

	Notes	As of 31 March 2022		As of 31 December 2021	
		Total	of which related parties	Total	of which related parties
<i>In thousands of Euros</i>					
ACTIVITIES					
Non-current assets					
Intangible assets	17	720,662		720,209	
Property, plant and equipment	18	278,681		283,041	
Rights of use	19	30,853		30,727	
Investment Property	20				
Investments	35	11,249		11,047	
Other financial assets	36	16		16	
Tax receivables	25	10,187		8,904	
Deferred tax assets	21	72,829		72,479	
Trade receivables	23				
Other receivables	24	23,975	67	23,628	67
Total non-current assets		1,148,452		1,150,051	
Assets held for sale	27				
Current assets					
Trade receivables	23	130,115	514	71,225	610
Other receivables	24	57,314	20,226	57,273	20,018
Tax receivables	25	26,411		17,542	
Inventories	22	350,683		278,538	
Other financial assets	36			176	
Cash and cash equivalents	37	220,895		260,868	
Total current assets		785,418		685,622	
Total assets		1,933,870		1,835,673	

	Notes	<u>As of 31 March 2022</u>		<u>As of 31 December 2021</u>	
		Total	of which related parties	Total	of which related parties
<i>In thousands of Euros</i>					
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital and reserves attributable to the owners of the Parent	39	417,682		404,235	
Share capital and reserves attributable to non-controlling interests	39	(177)		(149)	
Total shareholders' equity		417,505		404,086	
Non-current liabilities					
Financial liabilities	38	519,812		532,213	
Financial liabilities for rights of use	38	14,334	1,933	14,536	2,220
Trade payables	28				
Other long-term provisions	29	16,067		17,364	
Deferred tax liabilities	30	9,961		7,495	
Retirement funds and employee benefits	31	30,283		33,070	
Tax payables	32	1,387		1,387	
Other payables	33	12,823		12,760	
Total non-current liabilities		604,667		618,825	
Current liabilities					
Financial liabilities	38	119,786		86,840	
Financial liabilities for rights of use	38	8,034	1,349	7,601	1,319
Trade payables	28	681,454	20,636	623,564	16,829
Tax payables	32	19,013		16,976	
Other payables	33	68,848	14,879	63,425	15,037
Current portion of other long-term provisions	29	14,563		14,356	
Total current liabilities		911,698		812,762	
Total Shareholders' Equity and Liabilities		1,933,870		1,835,673	

Consolidated Statement of Cash Flows

This statement shows the factors behind changes in cash and cash equivalents, net of short-term bank overdrafts, as required by IAS 7.

	Notes	1st Quarter 2022		1st Quarter 2021	
		Total	of which related parties	Total	of which related parties
<i>In thousands of Euros</i>					
<i>Operating activities</i>					
Net Profit (loss) for the period		12,664		11,098	
Taxes for the period	14	7,762		7,399	
Depreciation of property, plant and equipment	8	12,068		11,528	
Amortisation of intangible assets	8	18,270		18,986	
Depreciation of rights of use	8	2,073		1,985	
Provisions for risks and retirement funds and employee benefits		4,689		4,605	
Write-downs/(Reinstatements)		972		1,029	
Losses / (Gains) on the disposal of property, plant and equipment		1		(36)	
Financial income	13	(349)		(297)	
Borrowing costs	13	5,695		6,510	
Income from public grants		(944)		(617)	
Portion of earnings of associates		67		(51)	
<i>Change in working capital:</i>					
(Increase)/Decrease in trade receivables	23	(59,853)	96	(58,871)	(112)
(Increase)/Decrease in other receivables	24	(397)	(208)	(11,772)	14
(Increase)/Decrease in inventories	22	(72,145)		(76,770)	
Increase/(Decrease) in trade payables	28	57,890	3,807	103,608	(429)
Increase/(Decrease) in other payables	33	5,486	(158)	9,750	74
Increase/(Decrease) in provisions for risks	29	(3,779)		(2,010)	
Increase/(Decrease) in retirement funds and employee benefits	31	(3,044)		(2,817)	
Other changes		(9,953)		(11,327)	
Cash generated from operating activities		(22,827)		11,930	
Interest paid		(3,378)		(4,896)	
Taxes paid		(6,044)		(5,615)	
Cash flow from operating activities (A)		(32,249)		1,419	
<i>Investment activities</i>					
Investment in property, plant and equipment	18	(7,826)		(10,654)	
Sale price, or repayment value, of property, plant and equipment		1		4,697	
Investment in intangible assets	17	(18,785)		(24,896)	
Sale price, or repayment value, of intangible assets		3		19	
Public grants collected		61		306	
Collected interests		356		97	
Cash flow from investment activities (B)		(26,190)		(30,431)	
<i>Financing activities</i>					
Purchase of treasury shares	39	(206)		0	
Loans received	38	56,073		40,253	
Outflow for repayment of loans	38	(37,574)		(27,328)	
Lease payments for rights of use	38	(2,004)		(2,811)	
Cash flow from financing activities (C)		16,289		10,114	
Increase / (Decrease) in cash and cash equivalents (A+B+C)		(42,150)		(18,898)	
Opening balance		260,856		228,906	
Exchange differences		182		6,172	
Closing balance		218,888		216,180	

Changes in Consolidated Shareholders' Equity

Movements from 1 January 2022 / 31 March 2022

<i>In thousands of Euros</i>	Notes	As of 1 January 2022	Profit for the period	Other comprehensive income	Total profit (loss) for the period	Transactions with shareholders				As of 31 March 2022
						Allocation of profits	Distribution of dividends	Purchase of treasury shares	Interim dividend	
					40	39	39	39	39	
Share capital		207,614								207,614
Share premium reserve		7,171								7,171
Legal reserve		26,052								26,052
Reserve for measurement of financial instruments		6,083		594	594					6,677
IAS transition reserve		(15,525)								(15,525)
Group translation reserve		(31,026)		(975)	(975)					(32,001)
Treasury shares		(2,019)						(206)		(2,225)
Earnings reserve		176,185								176,185
Earnings for the period		29,700	12,664	1,370	14,034					43,734
Consolidated Group shareholders' equity		404,235	12,664	989	13,653	0	0	(206)	0	417,682
Share capital and reserves attributable to non-controlling interests		(149)		(28)	(28)					(177)
TOTAL SHAREHOLDERS' EQUITY		404,086	12,664	961	13,625	0	0	(206)	0	417,505

Movements from 1 January 2021 / 31 March 2021

<i>In thousands of Euros</i>	Notes	As of 1 January 2021	Profit for the period	Other comprehensive income	Total profit (loss) for the period	Transactions with shareholders				As of 31 March 2021
						Allocation of profits	Distribution of dividends	Purchase of treasury shares	Interim dividend	
					40	39	39	39	39	
Share capital		207,614								207,614
Share premium reserve		7,171								7,171
Legal reserve		24,215								24,215
Reserve for measurement of financial instruments		281		2,935	2,935					3,216
IAS transition reserve		(15,525)								(15,525)
Group translation reserve		(38,459)		4,480	4,480					(33,979)
Treasury shares		(1,966)								(1,966)
Earnings reserve		170,720								170,720
Earnings for the period		18,108	11,098	205	11,303					29,411
Consolidated Group shareholders' equity		372,159	11,098	7,620	18,718	0	0	0	0	390,877
Share capital and reserves attributable to non-controlling interests		(147)		8	8					(139)
TOTAL SHAREHOLDERS' EQUITY		372,012	11,098	7,628	18,726	0	0	0	0	390,738

Notes to the Consolidated Financial Statements

A) GENERAL ASPECTS

Piaggio & C. S.p.A. (the Company) is a joint-stock company established in Italy at the Register of Companies of Pisa. The address of the registered office is Viale Rinaldo Piaggio 25 - Pontedera (Pisa). The main activities of the company and its subsidiaries are set out in the Report on Operations.

These Financial Statements are expressed in Euros (€) since this is the currency in which most of the Group's transactions take place. Transactions in foreign currency are recorded at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the reporting date.

1. Scope of consolidation

The scope of consolidation is unchanged from the consolidated financial statements as of 31 December 2021 and 31 March 2021.

2. Compliance with international accounting standards

These Condensed Interim Financial Statements have been drafted in compliance with the International Accounting Standards (IAS/IFRS) in force at that date, issued by the International Accounting Standards Board and endorsed by the European Commission, as well as in compliance with the provisions established in Article 9 of Legislative Decree no. 38/2005 (CONSOB Resolution no. 15519 dated 27 July 2006 containing the "Provisions for the presentation of financial statements", CONSOB Resolution no. 15520 dated 27 July 2006 containing the "Changes and additions to the Regulation on Issuers adopted by Resolution no. 11971/99", CONSOB communication no. 6064293 dated 28 July 2006 containing the "Corporate reporting required in accordance with Article 114, paragraph 5 of Legislative Decree 58/98"). The interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously the Standing Interpretations Committee ("SIC"), were also taken into account.

During the drafting of these Condensed Consolidated Interim Financial statements, prepared in compliance with IAS 34 - *Interim Financial Reporting*, the same accounting standards adopted in the drafting of the Consolidated Financial Statements as of 31 December 2021 were applied, with the exception of the paragraph "New accounting standards, amendments and interpretations applied as from 1 January 2022". The information provided in the Interim Report should be read together with the Consolidated Financial Statements as of 31 December 2021, prepared according to IFRS.

The preparation of the interim financial statements requires management to make estimates and assumptions which have an impact on the values of revenues, costs, consolidated balance sheet assets and liabilities and on the information regarding contingent assets and liabilities at the

reporting date. If these management estimates and assumptions should, in future, differ from the actual situation, they will be changed as appropriate in the period in which the circumstances change. For a more detailed description of the most significant measurement methods of the Group, reference is made to the section "Use of estimates" of the Consolidated Financial Statements as of 31 December 2021.

It should also be noted that some assessment processes, in particular the most complex ones such as establishing any impairment of fixed assets, are generally undertaken in full only when preparing the annual financial statements, when all the potentially necessary information is available, except in cases where there are indications of impairment which require an immediate assessment of any impairment loss.

The Group's activities, especially those regarding two-wheeler products, are subject to significant seasonal changes in sales during the year.

Income tax is recognised on the basis of the best estimate of the average weighted tax rate for the entire financial period.

New accounting standards, amendments and interpretations adopted from 1 January 2022

In May 2020, the IASB published some limited-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual revisions of IFRS 1, IFRS 9, IAS 41 and IFRS 16.

In March 2021, the IASB published amendments to IFRS 16 that move the final date from 30 June 2021 to 30 June 2022, for a practical expedient for measuring leases where renegotiated lease payments have been made as a result of COVID-19. The lessee may opt to recognise the concession in the accounts as a variable lease payment in the period when a lower payment is recognised.

The application of the new amendments did not have a significant impact on values or on the financial statements.

Accounting standards, amendments and interpretations not yet applicable

At the date of these Financial Statements, competent bodies of the European Union had not completed the approval process necessary for the application of the following accounting standards and amendments:

- in May 2017, the IASB issued the new standard IFRS 17 "Insurance Contracts". The new standard, which will replace IFRS 4 and will be effective from 1 January 2023, was amended in December 2021.
- In January 2020, the IASB published some amendments to IAS 1 that clarify the definition of "current" or "non-current" liabilities based on rights existing at the reporting date. These amendments will apply from 1 January 2023.

- In February 2021, the IASB published narrow-scope amendments to IAS 1, Practice Statement 2 and IAS 8. The amendments aim to improve disclosure of accounting standards and to help users of the financial statements distinguish between changes in accounting estimates and changes in accounting standards. These amendments will apply from 1 January 2023.
- In May 2021, the IASB issued amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments require companies to recognise deferred taxes when an asset or liability is initially recognised in a transaction that results in equal amounts of temporary deductible and taxable differences. These amendments will apply from 1 January 2023.

The Company will adopt these new standards, amendments and interpretations, based on the application date indicated, and will evaluate potential impact, when the standards, amendments and interpretations are endorsed by the European Union.

Other information

A specific paragraph in this Report provides information on any significant events occurring after the end of the period and on the expected operating outlook.

The exchange rates used to translate the financial statements of companies included in the scope of consolidation into Euros are shown in the table below.

<i>Currency</i>	Spot exchange rate 31 March 2022	Average exchange rate 1st Quarter 2022	Spot exchange rate 31 December 2021	Average exchange rate 1st Quarter 2021
US Dollar	1.1101	1.12168	1.1326	1.20485
Pounds Sterling	0.84595	0.836406	0.84028	0.873933
Indian Rupee	84.1340	84.39443	84.2292	87.84841
Singapore Dollars	1.5028	1.51692	1.5279	1.60543
Chinese Yuan	7.0403	7.12120	7.1947	7.80798
Croatian Kuna	7.5740	7.54421	7.5156	7.57243
Japanese Yen	135.17	130.46359	130.38	127.80571
Vietnamese Dong	25,365.00	25,541.75000	25,137.39	26,951.31254
Indonesian Rupiah	15,947.00	16,088.34031	16,166.73	17,065.25937
Brazilian Real	5.3009	5.86956	6.3101	6.59901

B) SEGMENT REPORTING

3. Operating segment reporting

The organisational structure of the Group is based on 3 Geographic Segments, involved in the production and sale of vehicles, spare parts and assistance in areas under their responsibility: EMEA and Americas, India and Asia Pacific 2W. Operating segments are identified by management, in line with the management and control model used.

In particular, the structure of disclosure corresponds to the structure of periodic reporting analysed by the Chairman and Chief Executive Officer for business management purposes.

Each Geographic Segment has production sites and a sales network dedicated to customers in that geographic segment. In particular:

- EMEA and Americas have production sites and deal with the distribution and sale of two-wheeler and commercial vehicles;
- India has production sites and deals with the distribution and sale of two-wheeler and commercial vehicles;
- Asia Pacific 2W has production sites and deals with the distribution and sale of two-wheeler vehicles.

Central structures and development activities currently dealt with by EMEA and Americas, are handled by individual segments.

INCOME STATEMENT BY OPERATING SEGMENT

		EMEA and Americas	India	Asia Pacific 2W	Total
Sales volumes (unit/000)	1-1/31-3-2022	65.5	35.5	40.8	141.8
	1-1/31-3-2021	53.4	50.9	30.7	135.0
	Change	12.1	(15.4)	10.1	6.7
	Change %	22.6%	-30.3%	32.8%	5.0%
Net turnover (millions of Euros)	1-1/31-3-2022	284.1	65.6	106.1	455.8
	1-1/31-3-2021	233.0	80.3	71.4	384.7
	Change	51.1	(14.7)	34.7	71.2
	Change %	21.9%	-18.3%	48.6%	18.5%
Gross margin (millions of Euros)	1-1/31-3-2022	69.5	7.2	40.0	116.8
	1-1/31-3-2021	69.4	15.2	26.6	111.2
	Change	0.2	(8.0)	13.4	5.6
	Change %	0.2%	-52.6%	50.6%	5.0%
EBITDA (millions of Euros)	1-1/31-3-2022				60.1
	1-1/31-3-2021				56.0
	Change				4.0
	Change %				7.2%
EBIT (millions of Euros)	1-1/31-3-2022				27.7
	1-1/31-3-2021				23.5
	Change				4.1
	Change %				17.5%
Net profit (millions of Euros)	1-1/31-3-2022				12.7
	1-1/31-3-2021				11.1
	Change				1.6
	Change %				14.1%

C) INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

4. Net revenues

€/000 455,818

Revenues are shown net of premiums recognised to customers (dealers).

This item does not include transport costs, which are recharged to customers (€/000 9,250) and invoiced advertising cost recoveries (€/000 1,126), which are posted under other operating income.

The revenues for disposals of Group core business assets essentially refer to the marketing of vehicles and spare parts on European and non-European markets.

Revenues by geographic segment

The breakdown of revenues by geographic segment is shown in the following table:

	1st Quarter 2022		1st Quarter 2021		Changes	
	Amount	%	Amount	%	Amount	%
<i>In thousands of Euros</i>						
EMEA and Americas	284,095	62.3	232,994	60.6	51,101	21.9
India	65,591	14.4	80,252	20.9	(14,661)	-18.3
Asia Pacific 2W	106,132	23.3	71,407	18.5	34,725	48.6
Total	455,818	100.0	384,653	100.0	71,165	18.5

In the first three months of 2022 net sales revenues increased by 18.5% compared to the same period of the previous year. For a more detailed analysis of trends in individual geographic segments, see comments in the Report on Operations.

5. Costs for materials

€/000 291,801

Costs for materials increased by €/000 56,381 compared to the first three months of 2021, mainly due to the growth in products sold and in purchases of two-wheeler vehicles by the Chinese subsidiary Zongshen Piaggio Foshan Motorcycle Co. (€/000 14,001 in the first quarter of 2022 and €/000 3,706 in the first three months of 2021), which are marketed on the European and Asian markets.

6. Costs for services and leases and rentals

€/000 65,076

Costs for services and leases and rental costs recorded growth of €/000 7,116 compared to the first three months of 2021. The item includes costs for temporary work of €/000 777.

7. Employee costs

€/000 65,310

Employee costs include €/000 213 relating to costs for redundancy plans mainly for the Pontedera and Noale production sites.

	1st Quarter 2022	1st Quarter 2021	Change
<i>In thousands of Euros</i>			
Salaries and wages	50,448	46,723	3,725
Social security contributions	12,544	11,765	779
Termination benefits	2,001	1,809	192
Other costs	317	374	(57)
Total	65,310	60,671	4,639

Below is a breakdown of the headcount by actual number and average number:

	Average number		
	1st Quarter 2022	1st Quarter 2021	Change
<i>Level</i>			
Senior management	108.3	106.3	2.0
Middle management	675.7	664.3	11.4
White collars	1,592.0	1,621.3	(29.3)
Blue collars	3,975.0	3,884.1	90.9
Total	6,351.0	6,276.0	75.0

Average employee numbers were affected by seasonal workers in the summer (on fixed-term employment contracts).

In fact, the Group uses fixed-term employment contracts to handle typical peaks in demand in the summer months.

	Number as of		
	31 March 2022	31 December 2021	Change
<i>Level</i>			
Senior management	108	108	0
Middle management	672	673	(1)
White collars	1,598	1,600	(2)
Blue collars	3,954	3,321	633
Total	6,332	5,702	630
EMEA and Americas	3,824	3,295	529
India	1,441	1,328	113
Asia Pacific 2W	1,067	1,079	(12)
Total	6,332	5,702	630

8. Amortisation/depreciation and impairment costs

€/000 32,411

This item consists of:

	1st Quarter 2022	1st Quarter 2021	Change
<i>In thousands of Euros</i>			
Amortisation of intangible assets and impairment costs	18,270	18,986	(716)
Depreciation of plant, property and equipment and impairment costs	12,068	11,528	540
Depreciation of rights of use	2,073	1,985	88
Total	32,411	32,499	(88)

9. Other operating income

€/000 32,654

This item, consisting mainly of increases in fixed assets for internal work and of recoveries of costs re-invoiced to customers, went up compared to the first quarter of 2021.

Revenues include €/000 1,949 in subsidies from the Indian government given to the affiliate Piaggio Vehicles Private Limited for investments made in during previous years and recognised in the income statement in proportion to the depreciation and amortisation of assets for which the grant was given. The recognition of these amounts is supported by appropriate documentation received from the Government of India, certifying that the entitlement has been recognised and therefore that collection is reasonably certain.

10. Net reversals (impairment) of trade and other receivables

€/000 (972)

This item, mainly comprising the impairment of trade receivables in current assets, showed fewer costs of €/000 55 compared to the first three months of 2021.

11. Other operating costs

€/000 5,237

The item shows a trend almost in line with the same period of the previous year.

12. Income/(loss) from investments

€/000 (67)

Expenses refer to the portion of loss attributable to the Group from the Zongshen Piaggio Foshan Motorcycle Co. Ltd. joint venture, valued at equity.

13. Net financial income (borrowing costs) **€/000 (7,172)**

The balance of financial income (expenses) for the first three months of 2022 was negative by €/000 7,172, worsening compared to the values of the corresponding period of the previous year (€000 5,092) mainly due to the negative impact of currency management.

14. Taxes **€/000 7,762**

Income tax for the period, determined based on IAS 34, is estimated by applying a rate of 38.0% to profit before tax, equivalent to the best estimate of the weighted average rate predicted for the financial year.

15. Gain/(loss) from assets held for disposal or sale **€/000 0**

At the end of the reporting period, there were no gains or losses from assets held for disposal or sale.

16. Earnings per share

Earnings per share are calculated as follows:

		1st Quarter 2022	1st Quarter 2021
Net profit	€/000	12,664	11,098
Earnings attributable to ordinary shares	€/000	12,664	11,098
Average number of ordinary shares in circulation		357,086,845	357,124,826
Earnings per ordinary share	€	0.035	0.031
Adjusted average number of ordinary shares		357,086,845	357,124,826
Diluted earnings per ordinary share	€	0.035	0.031

D) INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

17. Intangible assets

€/000 720,662

Intangible assets went up overall by €/000 453 mainly due to investments for the period which were only partially balanced by amortisation for the period.

Increases mainly refer to the capitalisation of development costs for new products and new engines, as well as the purchase of software.

In the first three months of 2022, borrowing costs for €/000 323 were capitalised.

The table below shows the breakdown of intangible assets as of 31 March 2022, as well as changes during the period.

<i>In thousands of Euros</i>	Situation at 31.12.2021	Movements for the period					Situation at 31.03.2022	
	Net value	Investments	Transitions in the period	Amortisation	Disposals	Exchange differences	Other	Net value
Development costs	103,262	9,379	0	(7,529)	0	(63)	0	105,049
In service	80,153	1,045	1,915	(7,529)	0	(49)	0	75,535
Assets under development and advances	23,109	8,334	(1,915)	0	0	(14)	0	29,514
Patent rights	140,229	9,339	0	(10,694)	(3)	1	3	138,875
In service	103,303	1,906	3,095	(10,694)	(3)	1	0	97,608
Assets under development and advances	36,926	7,433	(3,095)	0	0	0	3	41,267
Trademarks	29,478	0	0	(16)	0	0	0	29,462
In service	29,478	0	0	(16)	0	0	0	29,462
Goodwill	446,940	0	0	0	0	0	0	446,940
In service	446,940	0	0	0	0	0	0	446,940
Other	300	67	0	(31)	0	0	0	336
In service	247	54	13	(31)	0	1	0	284
Assets under development and advances	53	13	(13)	0	0	(1)	0	52
Total	720,209	18,785	0	(18,270)	(3)	(62)	3	720,662
In service	660,121	3,005	5,023	(18,270)	(3)	(47)	0	649,829
Assets under development and advances	60,088	15,780	(5,023)	0	0	(15)	3	70,833

18. Property, plant and equipment

€/000 278,681

Property, plant and equipment mainly refer to Group production facilities in Pontedera (Pisa), Noale and Scorzè (Venice), Mandello del Lario (Lecco), Baramati (India), Vinh Phuc (Vietnam) and Cikarang (Indonesia).

The increases mainly relate to moulds for new vehicles launched in the period and the construction of a new two-wheeler plant for the assembly of CKD⁶ in Indonesia.

Borrowing costs attributable to the construction of assets which require a considerable period of time to be ready for use are capitalised as a part of the cost of the actual assets.

In the first three months of 2022, borrowing costs for €/000 101 were capitalised.

The table below shows the breakdown of property, plant and equipment as of 31 March 2022, as well as changes during the period.

<i>In thousands of Euros</i>	Situation at 31.12.2021	Movements for the period						Situation at 31.03.2022
	Net value	Investments	Transitions in the period	Depreciation	Disposals	Exchange differences	Other	Net value
Land	31,550	0	0	0	0	54	0	31,604
In service	31,550	0	0	0	0	54	0	31,604
Buildings	85,932	1,540	0	(1,242)	0	(47)	0	86,183
In service	80,984	45	2,648	(1,242)	0	(35)	0	82,400
Assets under construction and advances	4,948	1,495	(2,648)	0	0	(12)	0	3,783
Plant and machinery	111,891	1,605	0	(5,677)	0	(151)	(3)	107,665
In service	103,772	187	2,150	(5,677)	0	(117)	0	100,315
Assets under construction and advances	8,119	1,418	(2,150)	0	0	(34)	(3)	7,350
Equipment	41,828	3,158	0	(3,596)	0	1	0	41,391
In service	34,435	1,106	1,516	(3,596)	0	0	0	33,461
Assets under construction and advances	7,393	2,052	(1,516)	0	0	1	0	7,930
Other assets	11,840	1,523	0	(1,553)	(2)	30	0	11,838
In service	9,500	1,402	472	(1,553)	(2)	29	0	9,848
Assets under construction and advances	2,340	121	(472)	0	0	1	0	1,990
Total	283,041	7,826	0	(12,068)	(2)	(113)	(3)	278,681
In service	260,241	2,740	6,786	(12,068)	(2)	(69)	0	257,628
Assets under construction and advances	22,800	5,086	(6,786)	0	0	(44)	(3)	21,053

⁶ CKD Completely Knocked Down.

19. Rights of use

€/000 30,853

This note provides information regarding leases as a lessee. The Group has no existing lease agreements as lessor.

The item "Rights of use" includes operating lease agreements, finance lease agreements and lease instalments paid in advance for the use of property.

The Group has stipulated rental/hire contracts for offices, plants, warehouses, company accommodation, cars and forklift trucks. The rental/lease agreements are typically for a fixed duration, but extension options are possible. These agreements may also include service components.

The Group opted to include only the component relative to the rental/hire payment in the recognition of rights of use.

The rental/hire agreements do not have any covenants to be met, nor require guarantees to be provided in favour of the lessor.

	As of 31 March 2022				As of 31 December 2021				Change
	Operating leases	Finance leases	Rental/hire payments made in advance	Total	Operating leases	Finance leases	Rental/hire payments made in advance	Total	
<i>In thousands of Euros</i>									
Land			7,122	7,122			7,212	7,212	(90)
Buildings	12,702		218	12,920	12,970		241	13,211	(291)
Plant and machinery		7,917		7,917		8,131		8,131	(214)
Other assets	2,849	45		2,894	2,123	50		2,173	721
Total	15,551	7,962	7,340	30,853	15,093	8,181	7,453	30,727	126

<i>In thousands of Euros</i>	Land	Buildings	Plant and machinery	Other assets	Total
Amount as of 31 12 2021	7,212	13,211	8,131	2,173	30,727
Increases		1,161		1,261	2,422
Depreciation	(47)	(1,345)	(214)	(467)	(2,073)
Decreases		(212)		(73)	(285)
Exchange differences	(43)	105			62
Movements for the period	(90)	(291)	(214)	721	126
Amount as of 31 03 2022	7,122	12,920	7,917	2,894	30,853

Future lease rental commitments are detailed in note 38.

20. Investment Property

€/000 0

As of 31 March 2022 no investment property was held.

21. Deferred tax assets

€/000 72,829

Deferred tax assets and liabilities are recognised at their net value when they may be offset in the same tax jurisdiction.

As part of measurements to define deferred tax assets, the Group mainly considered the following:

1. tax regulations of countries where it operates, the impact of regulations in terms of temporary differences and any tax benefits arising from the use of previous tax losses;
2. taxable income expected in the medium term for each single company and the economic and tax impact. In this framework, the plans from the reprocessing of the Group plan were used as a reference.

In view of these considerations, and with a prudential approach, it was decided to not wholly recognise the tax benefits arising from losses that can be carried over and from temporary differences.

22. Inventories

€/000 350,683

This item comprises:

	As of 31 March 2022	As of 31 December 2021	Change
<i>In thousands of Euros</i>			
Raw materials and consumables	206,402	167,349	39,053
Provision for write-down	(12,698)	(12,425)	(273)
<i>Net value</i>	<i>193,704</i>	<i>154,924</i>	<i>38,780</i>
Work in progress and semi-finished products	13,697	22,934	(9,237)
Provision for write-down	(852)	(852)	0
<i>Net value</i>	<i>12,845</i>	<i>22,082</i>	<i>(9,237)</i>
Finished products and goods	161,920	118,555	43,365
Provision for write-down	(18,644)	(18,067)	(577)
<i>Net value</i>	<i>143,276</i>	<i>100,488</i>	<i>42,788</i>
Advances	858	1,044	(186)
Total	350,683	278,538	72,145

The increase recorded as of 31 March 2022 is in line with the forecast production and sales volumes.

23. Trade receivables (current and non-current)

€/000 130,115

As of 31 March 2022 and 31 December 2021, there were no trade receivables in non-current assets. Current trade receivables are broken down as follows:

	As of 31 March 2022	As of 31 December 2021	Change
<i>In thousands of Euros</i>			
Trade receivables due from customers	129,601	70,615	58,986
Trade receivables due from JV	511	590	(79)
Trade receivables due from parent companies		20	(20)
Trade receivables due from associates	3		3
Total	130,115	71,225	58,890

Receivables due from joint ventures refer to amounts due from Zongshen Piaggio Foshan Motorcycles Co. Ltd.

Receivables due from associates regard amounts due from Immsi Audit.

The item Trade receivables comprises receivables referring to normal sale transactions, recorded net of a provision for bad debts of €/000 29,722.

The Group sells, on a rotating basis, a large part of its trade receivables with and without recourse. Piaggio has signed contracts with some of the most important Italian and foreign factoring companies as a move to optimise the monitoring and the management of its trade receivables, besides offering its customers an instrument for funding their own inventories, for factoring classified as without the substantial transfer of risks and benefits. On the contrary, for factoring without recourse, contracts have been formalised for the substantial transfer of risks and benefits. As of 31 March 2022, trade receivables still due sold without recourse totalled €/000 190,235. Of these amounts, Piaggio received payment prior to natural expiry of €/000 174,540. As of 31 March 2022, advance payments received from factoring companies and banks, for trade receivables sold with recourse totalled €/000 8,875 with a counter entry recorded in current liabilities.

24. Other receivables (current and non-current)

€/000 81,289

They consist of:

	As of 31 March 2022			As of 31 December 2021			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<i>In thousands of Euros</i>									
Receivables due from parent companies	19,253		19,253	19,098		19,098	155	0	155
Receivables due from joint ventures	955		955	900		900	55	0	55
Receivables due from affiliated companies	18	67	85	20	67	87	(2)	0	(2)
Accrued income	1,523		1,523	2,267		2,267	(744)	0	(744)
Deferred charges	11,251	15,039	26,290	8,014	14,948	22,962	3,237	91	3,328
Advance payments to suppliers	1,429	1	1,430	1,850	1	1,851	(421)	0	(421)
Advances to employees	440	25	465	688	26	714	(248)	(1)	(249)
Fair value of hedging derivatives	8,667	216	8,883	8,326		8,326	341	216	557
Security deposits	289	1,140	1,429	278	1,122	1,400	11	18	29
Receivables due from others	13,489	7,487	20,976	15,832	7,464	23,296	(2,343)	23	(2,320)
Total	57,314	23,975	81,289	57,273	23,628	80,901	41	347	388

Receivables due from affiliated companies are amounts due from the Fondazione Piaggio and Immsi Audit.

Receivables due from Parent Companies refer to receivables due from Immsi and arise from the recognition of accounting effects relating to the transfer of taxable bases pursuant to the Group Consolidated Tax Convention.

Receivables due from joint ventures refer to amounts due from Zongshen Piaggio Foshan Motorcycle Co. Ltd.

The item Fair Value of derivatives refers to the fair value of hedges on exchange risk on forecast transactions recognised on a cash flow hedge principle (€/000 8,260 current portion), to the fair value of an Interest Rate Swap designated as a hedge and recognised on a cash flow hedge principle (€/000 216 non-current portion and €/000 87 current portion), and to the fair value of derivatives hedging commodities risk recognised on a cash flow hedge principle (€/000 320 current portion).

Receivables due from others include €/000 7,928 (€/000 5,419 as of 31 December 2021) relating to the recognition by the Indian affiliate of a receivable for the subsidy received from the Indian Government on investments made in previous years. For more details, see Note 9 "Other operating income".

25. Tax receivables (current and non-current)

€ / 000 36,598

Tax receivables consist of:

	As of 31 March 2022			As of 31 December 2021			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<i>In thousands of Euros</i>									
VAT	21,028	537	21,565	11,619	543	12,162	9,409	(6)	9,403
Income tax	1,206	8,759	9,965	2,114	7,333	9,447	(908)	1,426	518
Others	4,177	891	5,068	3,809	1,028	4,837	368	(137)	231
Total	26,411	10,187	36,598	17,542	8,904	26,446	8,869	1,283	10,152

26. Receivables due after 5 years

€ / 000 0

As of 31 March 2022, there were no receivables due after 5 years.

27. Assets held for sale

€ / 000 0

As of 31 March 2022, there were no assets held for sale.

28. Trade payables (current and non-current)

€ / 000 681,454

As of 31 March 2022 and as of 31 December 2021 no trade payables were recorded under non-current liabilities. Trade payables recorded as current liabilities are broken down as follows:

	As of 31 March 2022	As of 31 December 2021	Change
<i>In thousands of Euros</i>			
Amounts due to suppliers	660,818	606,735	54,083
Trade payables to JV	20,524	16,622	3,902
Amounts due to affiliates	46	117	(71)
Amounts due to parent companies	66	90	(24)
Total	681,454	623,564	57,890

29. Provisions (current and non-current portion)

€/000 30,630

The breakdown and changes in provisions for risks during the period were as follows:

	Balance as of 31 December 2021	Alloca tions	Uses	Exchange differences	Balance as of 31 March 2022
<i>In thousands of Euros</i>					
Provision for product warranties	20,373	2,664	(1,889)	5	21,153
Provision for contractual risks	8,043		(1,550)	18	6,511
Risk provision for legal disputes	1,971			1	1,972
Other provisions for risks	1,333		(340)	1	994
Total	31,720	2,664	(3,779)	25	30,630

The breakdown between the current and non-current portion of long-term provisions is as follows:

	As of 31 March 2022			As of 31 December 2021			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<i>In thousands of Euros</i>									
Provision for product warranties	12,942	8,211	21,153	12,416	7,957	20,373	526	254	780
Provisions for contractual risks	938	5,573	6,511	920	7,123	8,043	18	(1,550)	(1,532)
Risk provision for legal disputes	252	1,720	1,972	250	1,721	1,971	2	(1)	1
Other provisions for risks and charges	431	563	994	770	563	1,333	(339)	0	(339)
Total	14,563	16,067	30,630	14,356	17,364	31,720	207	(1,297)	(1,090)

The product warranty provision relates to allocations for technical assistance on products covered by customer service which are estimated to be provided over the contractually envisaged warranty period. This period varies according to the type of goods sold and the sales market, and is also determined by customer take-up to commit to a scheduled maintenance plan.

The provision increased during the period by €/000 2,664 and was used for €/000 1,889 in relation to charges incurred during the period.

The provision for litigation concerns labour litigation and other legal proceedings.

For an analysis of disputes pending, reference is made to the 2021 Financial Statements.

30. Deferred tax liabilities

€/000 9,961

The deferred tax liability is mainly attributable to taxable temporary differences between the carrying amount and the tax value of property, plant and equipment and intangible assets held by subsidiaries located in India and Vietnam arising from the deduction of tax depreciation allowances for an amount greater than those charged to the income statement for the year.

31. Retirement funds and employee benefits

€/000 30,283

	As of 31 March 2022	As of 31 December 2021	Change
<i>In thousands of Euros</i>			
Retirement funds	835	811	24
Termination benefits provision	29,448	32,259	(2,811)
Total	30,283	33,070	(2,787)

Retirement funds comprise provisions for employees allocated by foreign companies and additional customer indemnity provisions, which represent the compensation due to agents in the case of the agency contract being terminated for reasons beyond their control.

The item "Termination benefits provision", comprising severance pay of employees of Italian companies, includes termination benefits indicated in defined benefit plans.

As regards the discount rate, the Group has decided to use the iBoxx Corporates AA rating with a 7-10 duration as the valuation reference.

If the iBoxx Corporates A rating with a 7-10 duration had been used, the value of actuarial losses and the provision as of 31 March 2022 would have been lower by €/000 1,166.

32. Tax payables (current and non-current)

€/000 20,400

Tax payables are broken down as follows:

	As of 31 March 2022			As of 31 December 2021			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<i>In thousands of Euros</i>									
Due for income tax	10,459	1,387	11,846	9,011	1,387	10,398	1,448	-	1,448
Due for non-income tax	138		138	154		154	(16)	-	(16)
Tax payables for:									
- VAT	3,558		3,558	1,007		1,007	2,551	-	2,551
- Tax withheld at source	3,199		3,199	5,032		5,032	(1,833)	-	(1,833)
- Other	1,659		1,659	1,772		1,772	(113)	-	(113)
Total	8,416		8,416	7,811		7,811	605	-	605
TOTAL	19,013	1,387	20,400	16,976	1,387	18,363	2,037	0	2,037

The item includes tax payables recorded in the financial statements of individual consolidated companies, set aside in relation to tax charges for the individual companies on the basis of applicable national laws.

Payables for withheld taxes made refer mainly to withheld taxes on employees' earnings, on employment termination payments and on self-employed earnings.

33. Other payables (current and non-current)

€/000 81,671

This item comprises:

	As of 31 March 2022			As of 31 December 2021			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<i>In thousands of Euros</i>									
To employees	24,241	544	24,785	19,056	543	19,599	5,185	1	5,186
Guarantee deposits		4,139	4,139		4,048	4,048	-	91	91
Accrued expenses	6,598		6,598	4,559		4,559	2,039	-	2,039
Deferred income	6,312	8,070	14,382	3,798	8,065	11,863	2,514	5	2,519
Amounts due to social security institutions	5,889		5,889	8,718		8,718	(2,829)	-	(2,829)
Fair value of derivatives	29		29	217	34	251	(188)	(34)	(222)
To associates	20		20	118		118	(98)	-	(98)
To parent companies	14,859		14,859	14,919		14,919	(60)	-	(60)
Others	10,900	70	10,970	12,040	70	12,110	(1,140)	-	(1,140)
Total	68,848	12,823	81,671	63,425	12,760	76,185	5,423	63	5,486

Amounts due to employees include the amount for holidays accrued but not taken of €/000 12,994 and other payments to be made for €/000 11,791.

Payables to parent companies consist of payables to Immsi referring to expenses related to the consolidated tax convention.

The item fair value of hedging derivatives refers to the fair value of derivatives hedging commodities risk exchange recognised on an cash flow hedge basis.

The item Accrued liabilities includes €/000 78 for interest on hedging derivatives and associated hedged items measured at fair value.

Deferred income includes €/000 6,549 (€/000 5,993 as of 31 December 2021) for the recognition by the Indian affiliate related to a deferred subsidy from the local Government for investments made in previous years, for the part not yet amortised. For more details, see Note 9 "Other operating income".

34. Payables due after 5 years

The Group has loans due after 5 years, which are referred to in detail in Note 38 "Financial Liabilities and right of use liabilities".

With the exception of the above payables, no other long-term payables due after five years exist.

E) INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

35. Investments

€/000 11,249

The investments heading comprises:

	As of 31 March 2022	As of 31 December 2021	Change
<i>In thousands of Euros</i>			
Interests in joint ventures	11,052	10,850	202
Investments in associates	197	197	0
Total	11,249	11,047	202

The increase in the item Interests in joint ventures refers to the equity valuation of the investment in the joint venture Zongshen Piaggio Foshan Motorcycles Co. Ltd.

36. Other financial assets (current and non-current)

€/000 16

The item currently refers to investments in other companies.

	As of 31 March 2022			As of 31 December 2021			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<i>In thousands of Euros</i>									
Fair Value of hedging derivatives			0	176		176	(176)	0	(176)
Investments in other companies		16	16		16	16	0	0	0
Total	0	16	16	176	16	192	(176)	0	(176)

37. Cash and cash equivalents

€/000 220,895

The item, which mainly includes short-term and on demand bank deposits, is broken down as follows:

	As of 31 March 2022	As of 31 December 2021	Change
<i>In thousands of Euros</i>			
Bank and postal deposits	220,848	260,829	(39,981)
Cash on hand	47	39	8
Total	220,895	260,868	(39,973)

Reconciliation of cash and cash equivalents recognised in the statement of financial position as assets with cash and cash equivalents recognised in the Statement of Cash Flows

The table below reconciles the amount of cash and cash equivalents above with cash and cash equivalents recognised in the Statement of Cash Flows.

	As of 31 March 2022	As of 31 March 2021	Change
<i>In thousands of Euros</i>			
Liquidity	220,895	216,180	4,715
Current account overdrafts	(2,007)		(2,007)
Closing balance	218,888	216,180	2,708

38. Financial liabilities and financial liabilities for rights of use (current and non-current) **€/000 661,966**

In the first three months of 2022, the Group's total debt increased by €/000 20,776. Net of the change in right of use financial liabilities and the fair value measurement of financial derivatives to hedge foreign exchange risk and interest rate risk and the adjustment of associated hedged items, as of 31 March 2022 total financial debt of the Group had increased by €/000 20,545.

	Financial liabilities as of 31 March 2022			Financial liabilities as of 31 December 2021			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<i>In thousands of Euros</i>									
Financial liabilities	119,786	519,812	639,598	86,840	532,213	619,053	32,946	(12,401)	20,545
<i>Gross financial debt</i>	<i>119,786</i>	<i>519,812</i>	<i>639,598</i>	<i>86,840</i>	<i>532,213</i>	<i>619,053</i>	<i>32,946</i>	<i>(12,401)</i>	<i>20,545</i>
<i>Fair value adjustment</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Financial liabilities for rights of use	8,034	14,334	22,368	7,601	14,536	22,137	433	(202)	231
Total	127,820	534,146	661,966	94,441	546,749	641,190	33,379	(12,603)	20,776

Net financial debt of the Group amounted to €/000 441,071 as of 31 March 2022 compared to €/000 380,322 as of 31 December 2021.

The composition of "Net financial debt" as of 31 March 2022, prepared in accordance with paragraph 175 and following of ESMA Recommendations 2021/32/382/1138, is set out below.

Consolidated net debt/(Net financial debt)⁷

	As of 31 March 2022	As of 31 December 2021	Change
<i>In thousands of Euros</i>			
A Cash	220,895	260,868	(39,973)
B Cash equivalents			0
C Other current financial assets			0
D Liquidity (A + B + C)	220,895	260,868	(39,973)
E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(71,157)	(37,861)	(33,296)
Payables due to banks	(54,177)	(20,376)	(33,801)
Debenture loan			0
Amounts due to factoring companies	(8,875)	(9,813)	938
Financial liabilities for rights of use	(8,034)	(7,601)	(433)
<i>.of which finance leases</i>	(1,218)	(1,201)	(17)
<i>.of which operating leases</i>	(6,816)	(6,400)	(416)
Current portion of payables due to other lenders	(71)	(71)	0
F Current portion of non-current financial debt	(56,663)	(56,580)	(83)
G Current financial debt (E + F)	(127,820)	(94,441)	(33,379)
H Net current financial debt (G - D)	93,075	166,427	(73,352)
I Non-current financial debt (excluding current portion and debt instruments)	(289,996)	(302,599)	12,603
Payables due to banks	(275,415)	(287,816)	12,401
Financial liabilities for rights of use	(14,334)	(14,536)	202
<i>.of which finance leases</i>	(4,164)	(4,479)	315
<i>.of which operating leases</i>	(10,170)	(10,057)	(113)
Amounts due to other lenders	(247)	(247)	0
J Debt instruments	(244,150)	(244,150)	0
K Non-current trade and other payables			0
L Non-current financial debt (I + J + K)	(534,146)	(546,749)	12,603
M Total financial debt (H + L)	(441,071)	(380,322)	(60,749)

⁷ The indicator does not include financial assets and liabilities arising from the fair value measurement of financial derivatives for hedging and otherwise, the fair value adjustment of relative hedged items equal in any case to €/000 0 as of 31 March 2022, and relative accruals.

The attached tables summarise the breakdown of financial debt as of 31 March 2022 and as of 31 December 2021, as well as changes for the period.

	Balance as of 31.12.2021	Cash flows			Reclassifications	Exchange delta	Other changes	Balance as of 31.03.2022
		Movements	Repayments	New issues				
<i>In thousands of Euros</i>								
A Cash	260,868	(40,155)				182		220,895
B Cash equivalents								0
C Other current financial assets								0
D Liquidity (A + B + C)	260,868	(40,155)	0	0	0	182	0	220,895
E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(37,861)	0	12,251	(43,068)	(2,487)	(42)	50	(71,157)
Current account overdrafts	(12)			(1,995)				(2,007)
Current account payables	(20,364)		434	(32,198)		(42)		(52,170)
Total current bank loans	(20,376)	0	434	(34,193)	0	(42)	0	(54,177)
Debenture loan								0
Amounts due to factoring companies	(9,813)		9,813	(8,875)				(8,875)
Financial liabilities for rights of use	(7,601)		2,004		(2,487)	0	50	(8,034)
.of which finance leases	(1,201)		298		(315)			(1,218)
.of which operating leases	(6,400)		1,706		(2,172)		50	(6,816)
Current portion of payables due to other lenders	(71)							(71)
F Current portion of non-current financial debt	(56,580)		27,327		(27,331)		(79)	(56,663)
G Current financial debt (E + F)	(94,441)	0	39,578	(43,068)	(29,818)	(42)	(29)	(127,820)
H Net current financial debt (G - D)	166,427	(40,155)	39,578	(43,068)	(29,818)	140	(29)	93,075
I Non-current financial debt (excluding current portion and debt instruments)	(302,599)	0	0	(15,000)	29,818	(108)	(2,107)	(289,996)
Payables due to banks	(287,816)			(15,000)	27,331		70	(275,415)
Liabilities for rights of use	(14,536)			0	2,487	(108)	(2,177)	(14,334)
.of which finance leases	(4,479)				315			(4,164)
.of which operating leases	(10,057)				2,172	(108)	(2,177)	(10,170)
Amounts due to other lenders	(247)							(247)
J Debt instruments	(244,150)							(244,150)
K Non-current trade and other payables								
L Non-current financial debt (I + J + K)	(546,749)	0	0	(15,000)	29,818	(108)	(2,107)	(534,146)
M Total financial debt (H + L)	(380,322)	(40,155)	39,578	(58,068)	0	32	(2,136)	(441,071)

Medium and long-term bank debt amounts to €/000 332,078 (of which €/000 275,415 non-current and €/000 56,663 current) and consists of the following loans:

- a €/000 15,690 medium-term loan (nominal value of €/000 15,715) from the European Investment Bank to finance Research & Development investments planned for the 2016-2018 period. The loan is divided into two disbursements with a final maturity in February and December 2023 and a repayment schedule of 7 annual fixed-rate instalments. Contract terms require covenants (described below);

- a €/'000 58,262 (nominal value €/'000 58,333) medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio Group's Italian sites in the 2019-2021 period. The loan will mature in February 2027 and has a repayment schedule of 6 fixed-rate annual instalments. Contract terms require covenants (described below);
- a €/'000 30,000 medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio Group's Italian sites in the 2019-2021 period. The loan will mature in March 2028 and has a repayment schedule of 6 fixed-rate annual instalments. Contract terms require covenants (described below);
- a €/'000 114,117 (nominal value of €/'000 115,000) "Schuldschein" loan issued between October 2021 and February 2022 and subscribed by leading market participants. It consists of 7 tranches with maturities of 3, 5 and 7 years at fixed and variable rates;
- a €/'000 24,356 syndicate loan (nominal value of €/'000 24,500) for a total of €/'000 250,000 signed in June 2018 and comprising a €/'000 187,500 four-year tranche (with a year's extension at the discretion of the borrower) as a revolving credit line (of which a nominal value of €/'000 2,000 used as of 31 March 2022) and a tranche as a five-year loan with amortisation of an initial amount of €/'000 62,500, of which a nominal amount of €/'000 22,500 as of 31 March 2022. Contract terms require covenants (described below);
- a €/'000 9,993 medium-term loan (nominal value of €/'000 10,000) granted by Banca Nazionale del Lavoro. The loan will fall due on 12 June 2022 with a repayment schedule of quarterly instalments and 12-month prepayment;
- a €/'000 7,983 medium-term loan (nominal value of €/'000 8,000) granted by Banca Popolare Emilia Romagna. The loan will fall due on 1 December 2023 and has a repayment schedule of six-monthly instalments;
- a €/'000 23,254 loan (nominal value of €/'000 23,333) granted by Banco BPM with a repayment schedule of six-monthly instalments and final settlement in July 2025. An Interest Rate Swap has been taken out on this loan to hedge the interest rate risk. Contract terms require covenants (described below);
- €/'000 30,000 medium-term loan granted by Cassa Depositi e Prestiti to support international growth in India and Indonesia. The loan has a duration of 5 years expiring on 30 August 2026. It entails a repayment plan with six-monthly instalments and a 12-month grace period. Contract terms require covenants (described below);
- a €/'000 4,233 medium-term loan (nominal value of €/'000 4,250) granted by Banca Popolare di Sondrio, maturing on 1 June 2026 and with a quarterly repayment schedule;
- a €/'000 8,487 medium-term loan (nominal value of €/'000 8,500) granted by Cassa di Risparmio di Bolzano, maturing on 30 June 2026 and with a quarterly repayment schedule;
- a €/'000 5,703 medium-term loan (nominal value of €/'000 5,709) granted by Banca Carige, maturing on 31 December 2026 and with a quarterly repayment schedule.

The Parent Company also has a revolving credit line for €/000 20,000 (undrawn at 31 March 2022) granted by Banca Intesa San Paolo maturing on 31 January 2024 and a revolving credit line for €/000 10,000 (undrawn at 31 March 2022) granted by Banca del Mezzogiorno maturing on 1 July 2022.

All the above financial liabilities are unsecured.

The item "Bonds" amounted to €/000 244,150 (nominal value of €/000 250,000) related to a high-yield debenture loan issued on 30 April 2018 for a nominal amount of €/000 250,000, maturing on 30 April 2025 and with a semi-annual coupon with fixed annual nominal rate of 3.625%. Standard & Poor's and Moody's assigned a BB- rating with a stable outlook and a Ba3 rating with a stable outlook respectively.

It should be noted that the Company may repay in advance all or part of the High Yield bond issued on 30 April 2018 on the terms specified in the indenture. The value of prepayment options was not deducted from the original contract, as these are considered as being closely related to the host instrument, as provided for by IFRS 9 b4.3.5.

Financial advances received from factoring companies and banks, on the sale of trade receivables with recourse, totalled €/000 8,875.

Medium-/long-term payables to other lenders equal to €/000 318 of which €/000 247 maturing after the year and €/000 71 as the current portion refer to a loan from the Region of Tuscany, pursuant to regulations on incentives for investments in research and development.

Covenants

In line with market practices for borrowers with a similar credit rating, main loan contracts require compliance with:

- 1) financial covenants, on the basis of which the company undertakes to comply with certain levels of contractually defined financial indices, with the most significant comprising the ratio of net financial debt/gross operating margin (EBITDA), measured on the consolidated perimeter of the Group, according to definitions agreed on with lenders;
- 2) negative pledges according to which the company may not establish collaterals or other constraints on company assets;
- 3) "pari passu" clauses, on the basis of which the loans will have the same repayment priority as other financial liabilities, and change of control clauses, which are effective if the majority shareholder loses control of the company;
- 4) limitations on the extraordinary operations the company may carry out.

The measurement of financial covenants and other contract commitments is monitored by the Group on an ongoing basis.

The high yield debenture loan issued by the company in April 2018 provide for compliance with covenants which are typical of international practice on the high yield market. In particular, the company must observe the EBITDA/Net borrowing costs index, based on the threshold established in the Prospectus, to increase financial debt defined during issue. In addition, the Prospectus includes some obligations for the issuer, which limit, inter alia, the capacity to:

- 1) pay dividends or distribute capital;
- 2) make some payments;
- 3) grant collaterals for loans;
- 4) merge with or establish some companies;
- 5) sell or transfer own assets.

Failure to comply with the covenants and other contract commitments of the loan and debenture loan, if not remedied in agreed times, may give rise to an obligation for the early repayment of the outstanding amount of the loan.

Financial liabilities for rights of use

€/000 22,368

As required by IFRS 16, financial liabilities for rights of use include financial lease liabilities as well as payments due on operating lease agreements.

	As of 31 March 2022			As of 31 December 2021			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<i>In thousands of Euros</i>									
Operating leases	6,816	10,170	16,986	6,400	10,057	16,457	416	113	529
Finance leases	1,218	4,164	5,382	1,201	4,479	5,680	17	(315)	(298)
Total	8,034	14,334	22,368	7,601	14,536	22,137	433	(202)	231

Payables for finance leases amounted to €/000 5,382 (nominal value of €/000 5,391) and break down as follows:

- a Sale&Lease back agreement for €/000 5,316 (nominal value of €/000 5,325) granted by Albaleasing on a production plant of the Parent Company. The loan will mature in August 2026, with quarterly repayments (non-current portion equal to €/000 4,124);
- a finance lease for €/000 66 granted by VFS Servizi Finanziari to the company Aprilia Racing for the use of vehicles (non-current portion equal to €/000 40).

Payables for rights of use include payables with the parent companies Immsi and Omniaholding for €/000 3,282 (€/000 1,933 non-current portion).

Financial instruments

Exchange Risk

The Group operates in an international context where transactions are conducted in currencies different from the Euro. This exposes the Group to risks arising from exchange-rate fluctuations. For this purpose, the Group has an exchange rate risk management policy which aims to neutralise the possible negative effects of the changes in exchange rates on company cash flows.

This policy analyses:

- **the transaction exchange risk:** the policy wholly covers this risk which arises from differences between the recognition exchange rate of receivables or payables in foreign currency in the financial statements and the recognition exchange rate of actual collection or payment. To cover this type of exchange risk, the exposure is naturally offset in the first place (netting between sales and purchases in the same currency) and if necessary, by signing currency future derivatives, as well as advances of receivables denominated in currency.

As of 31 March 2022, the Group had undertaken the following futures operations (recognised based on the settlement date), relating to payables and receivables already recognised to hedge the transaction exchange risk:

Company	Operation	Currency	Amount in currency	Value in local currency (forward exchange rate)	Average maturity
			<i>In thousands</i>	<i>In thousands</i>	
Piaggio & C.	Purchase	CNY	245,500	34,464	16/05/2022
Piaggio & C.	Purchase	JPY	750,000	5,765	10/06/2022
Piaggio & C.	Purchase	SEK	7,000	671	03/06/2022
Piaggio & C.	Purchase	USD	47,100	42,065	13/05/2022
Piaggio & C.	Sale	CAD	9,150	6,445	19/06/2022
Piaggio & C.	Sale	GBP	300	353	29/06/2022
Piaggio & C.	Sale	USD	129,240	115,242	06/06/2022
Piaggio Vehicles Private Limited	Sale	USD	2,000	153,113	23/05/2022
Piaggio Indonesia	Sale	USD	3,517	50,773,692	08/04/2022
Piaggio Vespa BV	Sale	USD	20,092	17,307	28/04/2022
Piaggio Vietnam	Sale	USD	25,680	588,823,874	20/05/2022

- **the translation exchange risk:** arises from the translation into Euro of the financial statements of subsidiaries prepared in currencies other than the Euro during consolidation. The policy adopted by the Group does not require this type of exposure to be covered;

- **the economic exchange risk:** arises from changes in company profitability in relation to annual figures planned in the economic budget on the basis of a reference change (the "budget change") and is covered by derivatives. The items of these hedging operations are therefore represented by foreign costs and revenues forecast by the sales and purchases budget. The total of forecast costs and revenues is processed monthly and associated hedging is positioned exactly on the average weighted date of the economic event, recalculated based on historical criteria. The economic occurrence of future receivables and payables will occur during the budget year.

As of 31 March 2022, the Group had the following transactions to hedge the exchange risk:

Company	Operation	Currency	Amount in currency	Value in local currency (forward exchange rate)	Average maturity
			<i>In thousands</i>	<i>In thousands</i>	
Piaggio & C.	Sale	GBP	9,000	10,610	31/07/2022
Piaggio & C.	Purchase	CNY	493,500	60,930	21/08/2022

To hedge the economic exchange risk alone, cash flow hedging is adopted with the effective portion of profits and losses recognised in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.

As of 31 March 2022 the total fair value of hedging instruments for the economic exchange risk recognised on a hedge accounting basis was positive by €/000 8,260.

Interest rate risk

This risk arises from fluctuating interest rates and the impact this may have on future cash flows arising from variable rate financial assets and liabilities. The Group regularly measures and controls its exposure to the risk of interest rate changes, as established by its management policies, in order to reduce fluctuating borrowing costs, and limit the risk of a potential increase in interest rates. This objective is achieved through an adequate mix of fixed and variable rate exposure, and the use of derivatives, mainly interest rate swaps and cross currency swaps.

As of 31 March 2022, the following hedging derivatives were in use:

Cash flow hedging

- An Interest Rate Swap to hedge the variable-rate loan for a nominal amount of €/000 23,333 from Banco BPM. The purpose of this instrument is to manage and mitigate

exposure to interest rate risk; in accounting terms, the instrument is recognised on a cash flow hedge basis, with profits/losses arising from the fair value measurement allocated to a specific reserve in Shareholders' equity; as of 31 March 2022, the fair value of the instrument was positive by €/000 302.

FAIR VALUE

In thousands of Euros

Piaggio & C. S.p.A.

Interest Rate Swap	302
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Commodity Price Risk

This risk arises from the possibility of changes in company profitability due to fluctuations in commodity prices (specifically platinum and palladium). The Group's objective is therefore to neutralise such possible adverse changes deriving from highly probable future transactions by compensating them with opposite variations related to the hedging instrument.

Cash flow hedging is adopted with this type of hedging, with the effective portion of profits and losses recognised in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.

As of 31 March 2022, the total fair value of hedging instruments for commodity price risk recognised on a hedge accounting basis was positive by €/000 292.

F) INFORMATION ON SHAREHOLDERS' EQUITY

39. Share capital and reserves **€/000 417,505**

For the composition of shareholders' equity, please refer to the Statement of Changes in Consolidated Shareholders' Equity. The following describes some of the most significant items.

Share capital €/000 207,614

During the period, the nominal share capital of Piaggio & C. did not change.

Therefore, as of 31 March 2022, the nominal share capital of Piaggio & C., fully subscribed and paid up, was equal to €207,613,944.37, divided into 358,153,644 ordinary shares.

Treasury shares €/000 (2,225)

During the period, 86,630 treasury shares were acquired. Therefore, as of 31 March 2022, Piaggio & C. held 1,132,448 treasury shares, equal to 0.3162% of the shares issued.

Shares in circulation and treasury shares

	2022	2021
<i>no. of shares</i>		
Situation as of 1 January		
Shares issued	358,153,644	358,153,644
Treasury portfolio shares	1,045,818	1,028,818
Shares in circulation	357,107,826	357,124,826
Movements for the period		
Purchase of treasury shares	86,630	17,000
Situation as of 31 March 2022 and 31 December 2021		
Shares issued	358,153,644	358,153,644
Treasury portfolio shares	1,132,448	1,045,818
Shares in circulation	357,021,196	357,107,826

We also inform you that in April an additional 50,000 treasury shares were acquired. Therefore, on the date of approval of this quarterly report, Piaggio & C. held 1,182,448 treasury shares, equivalent to 0.3302% of the shares issued.

Share premium reserve €/000 7,171

The share premium reserve as of 31 March 2022 had not changed.

Legal reserve €/000 26,052

The legal reserve as of 31 March 2022 had not changed.

Financial instruments' fair value reserve €/000 6,677

The financial instruments' fair value reserve relates to the effects of cash flow hedge accounting implemented on foreign currencies, interest and specific commercial transactions. These transactions are described in full in the note on financial instruments.

Dividends

The Ordinary Shareholders' Meeting of Piaggio & C. S.p.A. held on 11 April 2022 resolved to distribute a final dividend of 6.5 euro cents, including taxes, for each ordinary share entitled (in addition to the interim dividend of 8.5 euro cents paid on 22 September 2021, coupon detachment date 20 September 2021), for a total dividend for the 2021 financial year of 15.0 euro cents, equal to €53,566,173.9 (valid for €5,002,537.15 on the "New earnings" reserve and for €48,563,636.75 on the 2021 profit remaining after the above allocations). Coupon no. 18 will be detached on 19 April 2022, with record date on 20 April 2022 and payment date on 21 April 2022.

Earnings reserve €/000 176,185

Capital and reserves of non-controlling interest €/000 (177)

The end of period figures refer to non-controlling interests in Aprilia Brasil Industria de Motociclos S.A.

40. Other comprehensive income

€/000 961

The figure is broken down as follows:

	<i>Reserve for measurement of financial instruments</i>	<i>Group translation reserve</i>	<i>Earnings reserve</i>	<i>Group total</i>	<i>Share capital and reserves attributable to non-controlling interests</i>	<i>Total other comprehensive income</i>
<i>In thousands of Euros</i>						
As of 31 March 2022						
Items that will not be reclassified in the income statement						
Remeasurements of defined benefit plans			1,370	1,370		1,370
Total	0	0	1,370	1,370	0	1,370
Items that may be reclassified in the income statement						
Total translation gains (losses)		(1,244)		(1,244)	(28)	(1,272)
Share of Other Comprehensive Income of subsidiaries/associates valued with the equity method		269		269		269
Total profits (losses) on cash flow hedges	594			594		594
Total	594	(975)	0	(381)	(28)	(409)
Other comprehensive income	594	(975)	1,370	989	(28)	961

As of 31 March 2021

Items that will not be reclassified in the income statement						
Remeasurements of defined benefit plans			205	205		205
Total	0	0	205	205	0	205
Items that may be reclassified in the income statement						
Total translation gains (losses)		4,002		4,002	8	4,010
Share of Other Comprehensive Income of subsidiaries/associates valued with the equity method		478		478		478
Total profits (losses) on cash flow hedges	2,935			2,935		2,935
Total	2,935	4,480	0	7,415	8	7,423
Other comprehensive income	2,935	4,480	205	7,620	8	7,628

The tax effect related to other comprehensive income is broken down as follows:

	As of 31 March 2022			As of 31 March 2021		
	<i>Gross value</i>	<i>Tax (expense) / benefit</i>	<i>Net value</i>	<i>Gross value</i>	<i>Tax (expense) / benefit</i>	<i>Net value</i>
<i>In thousands of Euros</i>						
Remeasurements of defined benefit plans	1,802	(432)	1,370	270	(65)	205
Total translation gains (losses)	(1,272)		(1,272)	4,010		4,010
Share of Other Comprehensive Income of subsidiaries/associates valued with the equity method	269		269	478		478
Total profits (losses) on cash flow hedges	782	(188)	594	3,862	(927)	2,935
Other comprehensive income	1,581	(620)	961	8,620	(992)	7,628

G) OTHER INFORMATION

41. Share-based incentive plans

As of 31 March 2022, there were no incentive plans based on financial instruments.

42. Information on related parties

Revenues, costs, receivables and payables as of 31 March 2022 involving parent companies, subsidiaries and affiliates refer to the sale of goods or services which are a part of normal operations of the Group.

Transactions are carried out at normal market values, depending on the characteristics of the goods and services provided.

Information on related-party transactions, including the information required by Consob communication no. DEM/6064293 of 28 July 2006 is presented in these notes to the consolidated financial statements.

The procedure for transactions with related parties, pursuant to Article 4 of Consob Regulation no. 17221 of 12 March 2010 as amended, approved by the Board on 31 March 2010 is published on the Issuer's website www.piaggiogroup.com, under *Governance*.

Relations with Parent Companies

Piaggio & C. S.p.A. is controlled by the following companies:

Name	Registered office	Type	% of ownership	
			As of 31 March 2022	As of 31 December 2021
Immsi S.p.A.	Mantova - Italy	Direct parent company	50.0703	50.0703

Piaggio & C. S.p.A. is subject to the management and coordination of IMMSI S.p.A. pursuant to Article 2497 and subsequent of the Italian Civil Code. During the period, management and coordination comprised the following activities:

- as regards mandatory financial disclosure, and in particular the financial statements and reports on operations relating to Group companies, IMMSI has produced a group manual containing the accounting standards adopted and options chosen for implementation, in order to give a consistent and fair view of the consolidated financial statements.
- IMMSI has defined procedures and times for preparing the budget and in general the business plan of Group companies, as well as final management analysis to support management control activities.

- IMMSI has also provided services for the development and management of assets, with a view to optimising resources within the Group, and provided property consultancy services and other administrative services.
- IMMSI has provided consultancy services and assistance concerning extraordinary financing operations, organisation, strategy and coordination, as well as services intended to optimise the financial structure of the Group.

In 2019, for a further three years, the Parent Company⁸ signed up to the National Consolidated Tax Mechanism pursuant to Articles 117 to 129 of the Consolidated Income Tax Act (T.U.I.R.) of which IMMSI S.p.A. is the consolidating company, and to whom other IMMSI Group companies report to. The consolidating company determines a single global income equal to the algebraic sum of taxable amounts (income or loss) realised by individual companies that opt for this type of group taxation.

The consolidating company recognises a receivable from the consolidated company which is equal to the corporate tax to be paid on the taxable income transferred by the latter. Whereas, in the case of companies reporting tax losses, the consolidating company recognises a payable related to corporate tax on the portion of loss actually used to determine global overall income, or calculated as a decrease of overall income for subsequent tax periods, according to the procedures in Article 84, based on the criterion established by the consolidation agreement.

Under the National Consolidated Tax Mechanism, companies may, pursuant to article 96 of Presidential Decree no. 917/86, allocate the excess of interest payable which is not deductible to one of the companies so that, up to the excess of Gross Operating Income produced in the same tax period by other subjects party to the consolidation, the amount may be used to reduce the total income of the Group.

Piaggio & C. S.p.A. has two office lease agreements with IMMSI, one for property in Via Broletto 13 in Milan, and the other for property in Via Abruzzi 25 in Rome. A part of the property in Via Broletto 13 in Milan is sub-leased by Piaggio & C. S.p.A. to Piaggio Concept Store Mantova Srl.

Piaggio & C. S.p.A. has undertaken a rental agreement for offices owned by Omniaholding S.p.A.. This agreement, signed in normal market conditions, was previously approved by the Related Parties Transactions Committee, as provided for by the procedure for transactions with related parties adopted by the Company.

Piaggio Concept Store Mantova Srl has a lease contract for its sales premises and workshop with Omniaholding S.p.A.. This agreement was signed in normal market conditions.

Pursuant to Article 2.6.2, section 13 of the Regulation of Stock Markets organised and managed by Borsa Italiana S.p.A., the conditions as of Article 37 of Consob regulation 16191/2007 exist.

⁸ Aprilia Racing and Piaggio Concept Store Mantova were also party to the national consolidated tax convention, of which IMMSI S.p.A. is the consolidating company.

Transactions with Piaggio Group companies

The main relations with subsidiaries, eliminated in the consolidation process, refer to the following transactions:

Piaggio & C. S.p.A.

- sells vehicles, spare parts and accessories to sell on respective markets, to:
 - Piaggio Hrvatska
 - Piaggio Hellas
 - Piaggio Group Americas
 - Piaggio Vehicles Private Limited
 - Piaggio Vietnam
 - Piaggio Concept Store Mantova
 - Foshan Piaggio Vehicles Technology R&D
- sells components to:
 - Piaggio Vehicles Private Limited
 - Piaggio Vietnam
 - Aprilia Racing
- It provides promotional material to:
 - Piaggio France
 - Piaggio Indonesia
 - Piaggio España
 - Piaggio Limited
- grants licences for rights to use the brand and technological know-how to:
 - Piaggio Vehicles Private Limited
 - Piaggio Vietnam
 - Aprilia Racing
- provides support services for scooter and engine industrialisation to:
 - Piaggio Vehicles Private Limited
 - Piaggio Vietnam
- leases a part of the owned property to:
 - Aprilia Racing
- subleases a part of the rented property to:
 - Piaggio Concept Store Mantova
- has cash pooling agreements with:
 - Piaggio France
 - Piaggio Deutschland
 - Piaggio España
 - Piaggio Vespa
- has loan agreements with:
 - Piaggio Fast Forward

- Aprilia Racing
- Nacional Motor

- provides support services for staff functions to other Group companies;
- issues guarantees for the Group's subsidiaries, for medium-term loans.

Piaggio Vietnam sells vehicles, spare parts and accessories, which it has manufactured in some cases, for sale on respective markets, to:

- Piaggio Indonesia
- Piaggio Group Japan
- Piaggio & C. S.p.A.
- Foshan Piaggio Vehicles Technology R&D

Piaggio Vehicles Private Limited sells vehicles, spare parts and accessories, for sale on respective markets, and components and engines to use in manufacturing, to Piaggio & C. S.p.A..

Piaggio Vehicles Private Limited and Piaggio Vietnam reciprocally exchange materials and components to use in their manufacturing activities.

Piaggio Hrvatska, Piaggio Hellas, Piaggio Group Americas and Piaggio Vietnam

- distribute vehicles, spare parts and accessories purchased by Piaggio & C. S.p.A. on their respective markets.

Piaggio Indonesia and Piaggio Group Japan

- provide a vehicle, spare part and accessory distribution service to Piaggio Vietnam for their respective markets.

Piaggio France, Piaggio Deutschland, Piaggio Limited, Piaggio España and Piaggio Vespa

- provide a sales promotion service and after-sales services to Piaggio & C. S.p.A. for their respective markets.

Piaggio Asia Pacific

- provides a sales promotion service and after-sales services to Piaggio Vietnam in the Asia Pacific region.

Foshan Piaggio Vehicles Technology R&D provides to:

- Piaggio & C. S.p.A.:
 - component and vehicle design/development service;
 - scouting of local suppliers to Piaggio & C S.p.A.;
- Piaggio Vehicles Private Limited:
 - scouting of local suppliers to Piaggio & C S.p.A.;
- Piaggio Vietnam:
 - scouting of local suppliers to Piaggio & C S.p.A.;
 - a distribution service for vehicles, spare parts and accessories on its own market.

Piaggio Advanced Design Center

- provides a vehicle and component research/design/development service to Piaggio & C. S.p.A.

Piaggio Fast Forward provides Piaggio & C. S.p.A.:

- a research/design/development service.

Aprilia Racing provides Piaggio & C. S.p.A:

- a racing team management service;
- vehicle design service.

Piaggio Espana supplies Nacional Motor:

- with an administrative/accounting service.

In accordance with the Group's policy on the international mobility of employees, the companies in charge of employees transferred to other subsidiaries re-invoice the costs of these employees to the companies benefiting from their work.

Relations between Piaggio Group companies and JV Zongshen Piaggio Foshan Motorcycle Co. Ltd

Main intercompany relations between subsidiaries and JV Zongshen Piaggio Foshan Motorcycle Co. Ltd, refer to the following transactions:

Piaggio & C. S.p.A.

- grants licences for rights to use the brand and technological know-how to Zongshen Piaggio Foshan Motorcycle Co. Ltd.

Foshan Piaggio Vehicles Technology R&D

- provides advisory services to Zongshen Piaggio Foshan Motorcycle Co. Ltd.

Zongshen Piaggio Foshan Motorcycle Co. Ltd

- sells vehicles, spare parts and accessories, which it has manufactured in some cases, to the following companies for sale on their respective markets:
 - Piaggio Vietnam
 - Piaggio & C. S.p.A.
 - Piaggio Vehicles Private Limited
 - Piaggio Indonesia
 - Piaggio Group Japan.

The table below summarises relations described above and financial relations with parent companies, subsidiaries and affiliated companies as of 31 March 2022 and relations during the year, as well as their overall impact on financial statement items.

As of 31 March 2022	Fondazione Piaggio	IMMSI	IMMSI Audit	Omniaholding	Zongshen Piaggio Foshan	Total	% of accounting item
<i>In thousands of Euros</i>							
<u>Income statement</u>							
Cost for materials					14,001	14,001	4.80%
Costs for services, leases and rentals		96	200	11		307	0.47%
Other operating income		12	6		85	103	0.32%
Income/(loss) from investments					(67)	(67)	100.00%
Borrowing costs		15		5		20	0.35%
<u>Financial statements</u>							
Other non-current receivables	67					67	0.28%
Current trade receivables			3		511	514	0.40%
Other current receivables		19,253	18		955	20,226	35.29%
Non-current financial liabilities for rights of use		1,434		499		1,933	13.49%
Current financial liabilities for rights of use		1,128		221		1,349	16.79%
Current trade payables	16	54	30	12	20,524	20,636	3.03%
Other current payables		14,859	20			14,879	21.61%

43. Significant non-recurring events and operations

No significant, non-recurring operations, as defined by Consob Communication DEM/6064293 of 28 July 2006 took place during the first three months of 2022 and 2021.

44. Transactions arising from atypical and/or unusual transactions

During the first quarter of 2022 and in 2021, the Group did not record any significant atypical and/or unusual operations, as defined by Consob Communication DEM/6037577 of 28 April 2006 and DEM/6064293 of 28 July 2006.

45. Events occurring after the end of the period

To date, no events have occurred after 31 March 2022 that make additional notes or adjustments to these Financial Statements necessary.

In this regard, reference is made to the Report on Operations for significant events after 31 March 2022.

46. Authorisation for publication

This document was published on 12 May 2022 authorised by the Chairman and Chief Executive Officer.

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In accordance with paragraph 2 of article 154-bis of the Consolidated Finance Act, the Executive in Charge of Financial Reporting, Alessandra Simonotto, states that the accounting information in this document is consistent with the accounts.

Mantova, 2 May 2022

for the Board of Directors
Chairman and Chief Executive Officer
Roberto Colaninno