EMARKET SDIR CERTIFIED

PIAGGIO GROUP

Interim report on operations as of 30 September 2023

This report is available on the Internet at:
www.piaggiogroup.com

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Disclaimer

This Interim Report on Operations as of 30 September 2023 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.

PIAGGIO GROUP

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

Pisa Economic and Administrative Index no. 134077

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Report on operation

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 end of the first and third quarter of the financial year. This provision gives CONSOB the power to require issuers, following a specific impact analysis and through its own regulation, to publish periodic financial information in addition to the annual and half-year financial reports.

In view of this, the Piaggio Group has decided to continue to publish the interim report on operations for the end of the first and third quarters of each financial year on a voluntary basis, to ensure the continuity and regularity of disclosure to the financial community.

Health emergency - COVID-19

The World Health Organisation recently declared the end of the public health emergency of international concern.

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

In relation to the Russia-Ukraine conflict, the Piaggio Group is carefully following the evolution of the crisis, which has generated increases in the costs of raw materials and energy, with significant repercussions on the world economy and on renewed inflation, which Western central banks are attempting to control by increasing interest rates.

The extreme geographical diversification of the Group's sales and purchases means that it has essentially no exposure in the conflict area.

Regarding the indirect effects of the conflict, the Group was affected by the increase in the cost of energy – mainly at European plants – and of raw materials, partially mitigated by agreements reached with suppliers, and by the effects of inflation and rises in interest rates.

Given the current uncertain market environment, the Group's Management will continue to constantly monitor the development of the conflict and its direct and indirect effects on the financial statements.

Key operating and financial data

	First nine months		2022 Financial Statements
	2023	2022	
In millions of Euros			
Operating highlights			
Net revenues	1,626.2	1,626.9	2,087.4
Gross industrial margin[1]	468.8	428.9	554.9
Operating income	160.1	134.9	158.7
Profit before tax	129.9	114.3	127.2
Net profit (loss) for the period	85.7	70.9	84.9
.Non-controlling interests			
.Group	85.7	70.9	84.9
Financial highlights			
Net Capital Employed (NCE)	807.1	784.5	786.0
Consolidated net debt	(389.2)	(369.9)	(368.2)
Shareholders' equity	417.9	414.6	417.8
Balance sheet figures and financial ratios			
Gross margin as a percentage of net revenues (%)	28.8%	26.4%	26.6%
Net Profit (Loss) for the period/Net Revenues (%)	5.3%	4.4%	4.1%
ROS (Operating income/Net revenues)	9.8%	8.3%	7.6%
ROE (Net Profit (loss) for the period/Shareholders' Equity)	20.5%	17.1%	20.3%
ROI (Operating income/NCE)	19.8%	17.2%	20.2%
EBITDA[1]	269.3	236.7	298.1
EBITDA/Net revenues (%)	16.6%	14.5%	14.3%
Other information			
Sales volumes (unit/000)	454.4	490.4	625.5
Investments in property, plant and equipment and intangible assets	103.7	101.4	151.7
Employees at the end of the period (number)	6,016	6,608	5,838

[1] For a definition of the parameter see the "Economic glossary".

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Results by operating segments

		EMEA and AMERICAS	INDIA	ASIA PACIFIC 2W	**TOTAL**
Sales volumes (unit/000)	First nine months 2023	222.4	110.5	121.5	**454.4**
	First nine months 2022	230.5	114.0	145.8	**490.4**
	Change	(8.1)	(3.5)	(24.3)	**(35.9)**
	Change %	-3.5%	-3.1%	-16.6%	**-7.3%**
Net revenues (millions of Euros)	First nine months 2023	1,043.7	267.2	315.4	**1,626.2**
	First nine months 2022	1,000.5	235.2	391.1	**1,626.9**
	Change	43.1	32.0	(75.8)	**(0.6)**
	Change %	4.3%	13.6%	-19.4%	**0.0%**
Average number of staff (no.)	First nine months 2023	3,715.3	1,371.3	1,231.2	**6,317.8**
	First nine months 2022	3,877.2	1,507.1	1,111.3	**6,495.7**
	Change	(161.9)	(135.8)	119.9	**(177.9)**
	Change %	-4.2%	-9.0%	10.8%	**-2.7%**
Investments in Property, plant and equipment and intangible assets (millions of Euros)	First nine months 2023	67.5	22.9	13.4	**103.7**
	First nine months 2022	62.5	13.7	25.2	**101.4**
	Change	5.0	9.1	(11.8)	**2.3**
	Change %	8.0%	66.3%	-46.9%	**2.2%**

Group profile

The Piaggio Group, headquartered in Pontedera (Pisa, Italy), is one of the world's leading manufacturers of powered two-wheelers and is also an international player in the commercial vehicle sector. Today the Piaggio Group has three distinct core segments:

- two-wheelers, scooters and motorcycles from 50cc to 1,100cc, with 516,200 vehicles sold in 2022. The Group's brands include: Piaggio (scooters include the Liberty, Beverly, Medley and MP3 models), Vespa, Aprilia (with Aprilia Racing in the MotoGP championship) and Moto Guzzi;

- light commercial vehicles, three-wheelers (Ape) and four-wheelers (Porter NP6) with 109,300 vehicles sold in 2022;

- the robotics division with Piaggio Fast Forward, the Group's research centre on the mobility of the future based in Boston.

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.

Company Boards

Board of Directors	
Executive Chairman	Matteo Colaninno [2]
Chief Executive Officer	Michele Colaninno [1], [2]
Directors	
	Graziano Gianmichele Visentin [3], [4], [5], [6], [7]
	Rita Ciccone [4], [5], [6], [7]
	Patrizia Albano
	Federica Savasi
	Carlo Zanetti
	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 the 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 in the first nine months of 2023

18 January 2023 - Vespa 946 celebrated its anniversary with a special edition dedicated to the Year of the Rabbit. With 1,000 pieces produced in a limited, numbered series, this will be just the first step in a major project that will run over the next 12 years and will see the release of an annual edition, inspired by that year's lunar horoscope animal.

10 March 2023 - Aprilia Racing - ready for the MotoGP World Championship 2023. As planned, the project has continued its development, with a first-ever four RS-GPs and four top riders on the track. After an excellent 2022 season, the project is operating at full throttle, aiming to be even more competitive, but above all to give thousands of Aprilia brand fans around the world the chance to enjoy the experience and dream.

27 May 2023 - To mark the Aprilia All Stars event held at the Misano circuit, Aprilia and the Piaggio Group donated €200,000 to the civil protection department, for communities in Emilia-Romagna affected by the floods.

8 June 2023 - RINA, a multinational audit, certification and engineering consultancy firm, and Aprilia Racing, signed a two-year sponsorship and technical partnership agreement to develop innovative technologies at the highest level of motorcycle sport.

14 June 2023 - The Group launched the new version of the Piaggio 1 E-Scooter with removable battery. In this new version, the Piaggio 1 combines the winning features of the most modern electric scooters, with agility, lightness and practicality even in maintenance, without sacrificing a performance comparable to that of scooters with conventional engines. The battery is located under the seat, is easy to remove in seconds and can be transported for convenient charging at home or in the office.

21 June 2023 - Two timeless icons Vespa and Disney have joined forces in a special project to celebrate 100 years of Disney: Vespa paid tribute to this anniversary by launching a global collaboration between two unique brands, with a Vespa dedicated to Mickey Mouse.

6 August 2023 - Aleix Espargarò riding an Aprilia took victory in the MotoGP Grand Prix at Silverstone.

19 August 2023 - The Company announced the passing of Cavaliere del Lavoro Roberto Colaninno, Chairman and CEO of Piaggio & C. S.p.A..

1 September 2023 - The Board of Directors of Piaggio & C. S.p.A. met following the death of Chairman and CEO Roberto Colaninno, and defined the new corporate governance. The Board Director Matteo Colaninno was appointed Executive Chairman with powers basically consistent with those previously attributed to him. The Board Director Michele Colaninno, former chief executive of global strategy, product and marketing in innovation, was appointed Chief Executive Officer. The Board of Directors also co-opted Carlo Zanetti as a new non-executive member.

3 September 2023 - Aleix Espargarò and Maverick Viňales on Aprilia took first and second place in the MotoGP Grand Prix in Barcelona.

26 September 2023 - The rating agency Standard & Poor's Global Ratings announced a revision of its outlook on the Piaggio Group, raising it from 'stable' to 'positive'. The 'BB-' rating was confirmed.

27 September 2023 - Piaggio & C S.p.A. successfully placed on the high-yield market a €250 million, 7-year, senior unsecured debenture loan, with a fixed annual interest rate of 6.5% and an issue price of 100%.

Financial position and performance of the Group

Consolidated income statement

	First nine months 2023		First nine months 2022		Change	
	In millions of Euros	Accounting for a %	In millions of Euros	Accounting for a %	In millions of Euros	%
Consolidated income statement (reclassified)						
Net revenues	1,626.2	100.0%	1,626.9	100.0%	(0.6)	0.0%
Cost to sell	1,157.4	71.2%	1,197.9	73.6%	(40.5)	-3.4%
Gross industrial margin[2]	**468.8**	**28.8%**	**428.9**	**26.4%**	**39.9**	**9.3%**
Operating expenses	308.7	19.0%	294.1	18.1%	14.6	5.0%
Operating income	**160.1**	**9.8%**	**134.9**	**8.3%**	**25.2**	**18.7%**
Result of financial items	(30.2)	-1.9%	(20.6)	-1.3%	(9.7)	47.1%
Profit before tax	**129.9**	**8.0%**	**114.3**	**7.0%**	**15.5**	**13.6%**
Income taxes	44.2	2.7%	43.4	2.7%	0.7	1.6%
Net profit (loss) for the period	**85.7**	**5.3%**	**70.9**	**4.4%**	**14.8**	**20.9%**
Operating income	**160.1**	**9.8%**	**134.9**	**8.3%**	**25.2**	**18.7%**
Amortisation/depreciation and impairment costs	109.1	6.7%	101.8	6.3%	7.3	7.2%
EBITDA[2]	**269.3**	**16.6%**	**236.7**	**14.5%**	**32.6**	**13.8%**

Net revenues

	First nine months 2023	First nine months 2022	Change
In millions of Euros			
EMEA and Americas	1,043.7	1,000.5	43.1
India	267.2	235.2	32.0
Asia Pacific 2W	315.4	391.1	(75.8)
TOTAL NET REVENUES	**1,626.2**	**1,626.9**	**(0.6)**
Two-wheelers	1,293.6	1,338.9	(45.3)
Commercial Vehicles	332.7	288.0	44.7
TOTAL NET REVENUES	**1,626.2**	**1,626.9**	**(0.6)**

The Group ended the first nine months of 2023 with net revenues almost in line with the corresponding period of 2022.

Growth achieved in both EMEA and Americas (+4.3%) and India (+13.6%; +22.9% at constant exchange rates) offset the decline in Asia Pacific (-19.4%; -15.9% at constant exchange rates).

With regard to product type, the growth in Commercial Vehicles (+15.5%) offset the contraction in the Two-Wheeler segment (-3.4%). Consequently, the Commercial Vehicles' share of net revenues

[2]For a definition of the parameter see the "Economic glossary".

rose from 17.7% in the first nine months of 2022 to the current figure of 20.5%; conversely, the share of Two-wheelers fell from 82.3% in the first nine months of 2022 to the current figure of 79.5%.

The Group's **gross industrial margin** increased considerably over the corresponding period of the previous year (+9.3%), equal to 28.8% of net revenues (26.4% as of 30 September 2022). Amortisation/depreciation included in the gross industrial margin was equal to €29.3 million (€29.5 million in the first nine months of 2022).

Operating expenses incurred in the period went up compared to the same period of the previous financial year (+€14.6 million), amounting to €308.7 million.

The change in the aforementioned income statement resulted in an increase in consolidated **EBITDA** which was equal to €269.3 million (€236.7 million in the first nine months of 2022). In relation to net revenues, EBITDA was 16.6% (14.5% in the first nine months of 2022).

Operating income (**EBIT**), at €160.1 million, also increased strongly compared to the first nine months of 2022; in relation to net revenues, EBIT was 9.8% (8.3% in the first nine months of 2022).

Financing activities showed a net expense of €30.2 million (€20.6 million as of 30 September 2022). The deterioration was mainly due to the rise in interest rates on debt, partially mitigated by the positive impact of currency management.

Income taxes for the period are estimated to be €44.2 million, equivalent to 34% of profit before tax.

Net profit stood at €85.7 million (5.3% of net revenues), up on the figure for the same period of the previous financial year, when it amounted to €70.9 million (4.4% of net revenues).

Operating data

Vehicles sold

	First nine months 2023	First nine months 2022	Change
In thousands of units			
EMEA and Americas	222.4	230.5	(8.1)
India	110.5	114.0	(3.5)
Asia Pacific 2W	121.5	145.8	(24.3)
TOTAL VEHICLES	**454.4**	**490.4**	**(35.9)**
Two-wheelers	364.9	410.0	(45.1)
Commercial Vehicles	89.5	80.3	9.2
TOTAL VEHICLES	**454.4**	**490.4**	**(35.9)**

In the first nine months of 2023, the Piaggio Group sold 454,400 vehicles worldwide, down 7.3% from the first nine months of the previous year, when 490,400 vehicles were sold. Sales were down in all geographic segments.
Regarding product type, sales of Commercial Vehicles went up (+11.4%), while sales of Two-Wheelers fell (-11.0%).

Staff

In the first nine months of 2023, the average workforce decreased overall (-177.9 units). Only Asia Pacific bucked the trend due to the start of the new production plant in Indonesia in November 2022.

Average number of company employees by geographic segment

Employee/staff numbers	First nine months 2023	First nine months 2022	Change
EMEA and Americas	3,715.3	3,877.2	(161.9)
of which Italy	*3,440.3*	*3,602.0*	*(161.7)*
India	1,371.3	1,507.1	(135.8)
Asia Pacific 2W	1,231.2	1,111.3	119.9
Total	**6,317.8**	**6,495.7**	**(177.9)**

At 30 September 2023, the Group had 6,016 employees, a total increase of 178 compared to 31 December 2022.

Breakdown of company employees by geographic segment

Employee/staff numbers	**As of 30 September 2023**	**As of 31 December 2022**	**As of 30 September 2022**
EMEA and Americas	3,355	3,260	3,820
of which Italy	*3,076*	*2,989*	*3,543*
India	1,432	1,369	1,597
Asia Pacific 2W	1,229	1,209	1,191
Total	**6,016**	**5,838**	**6,608**

Consolidated statement of financial position[3]

	As of 30 September 2023	As of 31 December 2022	Change
In millions of Euros			
Statement of financial position			
Net working capital	(197.4)	(224.8)	27.3
Property, plant and equipment	286.9	291.4	(4.5)
Intangible assets	734.7	729.5	5.2
Rights of use	33.7	36.9	(3.1)
Financial assets	9.2	10.0	(0.7)
Provisions	(60.1)	(56.9)	(3.2)
Net capital employed	**807.1**	**786.0**	**21.1**
Net financial debt	389.2	368.2	20.9
Shareholders' equity	417.9	417.8	0.1
Sources of financing	**807.1**	**786.0**	**21.1**
Non-controlling interests	(0.2)	(0.2)	(0.0)

Net working capital as of 30 September 2023, which was negative by €197.4 million, used cash for approximately €27.3 million in the first nine months of 2023.

Property, plant and equipment amounted to €286.9 million as of 30 September 2023, decreasing by approximately €4.5 million compared to 31 December 2022. This was mainly due to depreciation, with a value exceeding investments by approximately €3.5 million, the effect of the devaluation in the Indian rupee and the Vietnamese dong on the euro by approximately €0.6 million, as well as disposals of €0.4 million.

Intangible assets totalled €734.7 million, up by approximately €5.2 million compared to 31 December 2022. This growth is mainly due to investments for the period, with a value exceeding amortisation by approximately €5.7 million, the effect related to the devaluation of the Indian rupee and Vietnamese dong on the euro (approximately €0.3 million), as well as disposals of €0.2 million.

Rights of use, equal to €33.7 million, decreased by approximately €3.1 million compared to figures as of 31 December 2022.

Financial assets which totalled €9.2 million, decreased slightly compared to figures for the previous year (€10.0 million).

Provisions totalled €60.1 million, increasing compared to 31 December 2022 (€56.9 million).

[3] For a definition of individual items, see the "Economic Glossary".

As fully described in the next section on the "Consolidated Statement of Cash Flows", **net financial debt** as of 30 September 2023 was equal to €389.2 million, compared to €368.2 million as of 31 December 2022, a growth of around €20.9 million.
Compared to 30 September 2022, net financial debt increased by approximately €19.3 million.

Group **shareholders' equity** as of 30 September 2023 amounted to €417.9 million. The growth of approximately €0.1 million compared to 31 December 2022 was mitigated by €79.8 million in dividend payments.

Consolidated Statement of Cash Flows

The consolidated statement of cash flows prepared in accordance with the IFRS format is included in the 'Consolidated Financial Statements of the Condensed Consolidated Interim Financial Statements as of 30 September 2023'. The following is a commentary, with reference to the condensed form presented below.

	First nine months 2023	**First nine months 2022**	**Change**
In millions of Euros			
Change in Consolidated Net Debt			
Opening Consolidated Net Debt	**(368.2)**	**(380.3)**	**12.1**
Cash Flow from Operating Activities	191.0	155.9	35.1
(Increase)/Reduction in Net Working Capital	(27.3)	31.4	(58.7)
Net Investments	(103.7)	(101.4)	(2.3)
Other changes	4.7	(15.0)	19.8
Change in Shareholders' Equity	(85.6)	(60.3)	(25.3)
Total Change	**(20.9)**	**10.4**	**(31.4)**
Closing Consolidated Net Debt	**(389.2)**	**(369.9)**	**(19.3)**

During the first nine months of 2023, the Piaggio Group used **financial resources** amounting to €20.9 million.

Cash flow from operating activities, defined as Net Profit (loss) for the period, minus non-monetary costs and income, came to €191.0 million.

Net working capital absorbed cash of approximately €27.3 million; in detail:

- the collection of trade receivables[4] used financial flows for a total of €27.8 million;
- stock management generated financial flows for a total of approximately €42.9 million;
- supplier payments used financial flows of approximately €74.1 million;
- the movement of other non-trade assets and liabilities had a positive impact on financial flows by approximately €31.7 million.

Investment activities used financial resources totalling €103.7 million. This change was generated by investments in capitalised development costs and in property, plant and equipment and intangible assets.
As a result of the above financial dynamics, which absorbed cash flow of €20.9 million, the **consolidated net debt** of the Piaggio Group amounted to €389.2 million.

[4] Net of customer advances.

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 performance 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 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;
- **Consolidated 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. Consolidated 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 Condensed Consolidated Interim 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 structured and operates by geographic segments. There are 3 operating segments - EMEA and Americas, India, and Asia Pacific 2W, dealing with the production and sale of vehicles, related spare parts and service in the specific regions.
For details of final results from each operating segment, reference is made to the Notes to the Condensed Consolidated Interim Financial Statements.
The volumes and net revenues in the three geographic segments, also by product type, are analysed below.

Two-wheelers

Two-wheelers	***First nine months 2023***		***First nine months 2022***		***Change %***		***Change***	
	Volumes Sell-in (units/000)	Net revenues (millions of Euros)	Volumes Sell-in (units/000)	Net revenues (millions of Euros)	Volumes Sell-in	Net revenues	Volumes Sell-in	Net revenues
EMEA and Americas	212.9	942.9	220.2	897.3	-3.3%	5.1%	(7.3)	45.6
of which EMEA	193.3	831.1	200.4	791.3	-3.6%	5.0%	(7.1)	39.9
(of which Italy)	*50.8*	*208.2*	*44.2*	*183.9*	*15.0%*	*13.2%*	*6.6*	*24.2*
of which America	19.6	111.8	19.8	106.0	-1.0%	5.4%	(0.2)	5.7
India	30.5	35.3	44.0	50.5	-30.6%	-30.1%	(13.5)	(15.2)
Asia Pacific 2W	121.5	315.4	145.8	391.1	-16.6%	-19.4%	(24.3)	(75.8)
TOTAL	**364.9**	**1,293.6**	**410.0**	**1,338.9**	**-11.0%**	**-3.4%**	**(45.1)**	**(45.3)**
Scooters	326.8	866.0	366.2	902.0	-10.7%	-4.0%	(39.4)	(36.0)
Combustion engine	*322.6*	*851.7*	*356.8*	*878.6*	*-9.6%*	*-3.1%*	*(34.2)*	*(26.9)*
Electric engine	*4.2*	*14.3*	*9.4*	*23.4*	*-54.9%*	*-38.9%*	*(5.2)*	*(9.1)*
Motorcycles	38.1	298.6	43.7	318.7	-12.9%	-6.3%	(5.6)	(20.1)
Other vehicles	0.023	0.011	0.127	0.070	-81.9%	-84.9%	(0.104)	(0.060)
Kick-scooter	*0.007*	*0.003*	*0.084*	*0.034*	*-91.7%*	*-92.0%*	*(0.077)*	*(0.031)*
Wi Bike	*0.016*	*0.008*	*0.043*	*0.037*	*-62.8%*	*-78.4%*	*(0.027)*	*(0.029)*
Spare Parts and Accessories		123.9		117.2		5.7%		6.6
Other		5.0		0.8		506.0%		4.2
Gita		*0.1*		*0.3*		*-49.2%*		*(0.13)*
Other		*4.9*		*0.6*		*772.1%*		*4.3*
TOTAL	**364.9**	**1,293.6**	**410.0**	**1,338.9**	**-11.0%**	**-3.4%**	**(45.1)**	**(45.3)**

Two-wheelers can be grouped mainly into two product segments: scooters and motorcycles. Alongside these is the related spare parts and accessories business, the sale of engines to third parties, participation in major two-wheeler sports competitions, and after-sales services.
In the global two-wheeler market, two macro-areas can be identified, distinctly different in terms of characteristics and scale of demand: the area of economically advanced countries (Europe, United States, Japan) and of developing countries (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

India, the most important two-wheeler market, reported an increase in the first nine months of 2023, closing with sales of over 12.3 million vehicles, up by 4.7% compared to the first nine months of 2022.

The People's Republic of China recorded a slight decrease in the first nine months of 2023 (-1.4%), closing at just under 3.95 million vehicles sold.

From the data available so far for the Asian area, Indonesia, the region's largest market, grew by 30.7% in the first nine months of 2023, selling over 4.7 million vehicles.
On the other hand, registrations in Vietnam decreased (less than 1.9 million units sold; -14.0% compared to the first nine months of 2022). The other countries in the Asian area (Singapore, Hong Kong, South Korea, Japan, Taiwan, New Zealand and Australia) overall recorded an increase of approximately 4.5% compared to the first nine months of 2022, closing with sales of over 1 million units. In the first nine months of the year, the Japanese market remained substantially stable (+0.7%) at around 305,000 units sold.

The North American market recorded an increase compared to the first nine months of 2022 (+4.0%), selling 513,041 vehicles.

Europe, which is the reference area for the Piaggio Group's operations, reported an overall increase in sales on the two-wheeler market (+4.1%) compared to the first nine months of 2022 (+11.0% for the motorcycle segment and -3.0% for the scooter segment).
Over 50cc scooters reported an increase of 9.6%, while the 50cc segment recorded a decrease (-28.6%).
In the motorcycles market, the 50cc segment grew by 1.3%, 51-125cc motorbikes fell by 1.3%, while medium-sized motorbikes (126-750cc) grew by 9.0%. Finally, the over 750cc segment recorded an increase of 20.1%.

The electric scooter segment, after several years of steady growth, reported a decrease for the first time (-33.1% compared to the same period in 2022), and with 69,574 units sold accounts for 11.6% of the total scooter market (down from 16.9% in the first nine months of 2022).

Main results

In the first nine months of 2023, the Piaggio Group sold a total of 364,900 two-wheeler vehicles worldwide, accounting for net revenues equal to approximately €1,293.6 million, including spare parts and accessories (€123.9 million, +5.7%).
Overall, volumes decreased by 11.0% and net revenues by 3.4%.
As the above table shows, all Western markets reported an increase in revenues. India, on the other hand, recorded a decline (-30.6% in volumes; -30.1% of net revenues; -24.3% at constant exchange rates) as well as Asia Pacific (-16.6% volumes; -19.4% of net revenues; -15.9% at constant exchange rates).

Market positioning[5]

In the European market, the Piaggio Group achieved a 23.1% share of the scooter business in the first nine months of 2023 (compared to 23.6% in the same period of 2022), confirming its leadership of this segment, and a 3.6% share in the motorcycle segment (compared to 3.9% in the first nine months of 2022). The Group's overall share stood at 12.5% (compared to 13.6% in the corresponding period of 2022), due mainly to the mix of the aforementioned segments.
In Italy, the Piaggio Group had a 16.5% share of the entire Two-Wheeler market (a 17.3% share in the first nine months of 2022), equal to 25.6% in the scooter segment (27.1% in the first nine months of 2022).

The Group's position on the North American scooter market declined, ending the period with a share of 29.5% (34.9% in the first nine months of 2022).

[5] Market shares for the first nine months of 2022 might differ from figures published last year, due to final vehicle registration data, which some countries publish with a few months' delay, being updated.

Commercial Vehicles

Commercial Vehicles	First nine months 2023		First nine months 2022		Change %		Change	
	Volumes Sell-in (unit/000)	Net revenues (millions of Euros)	Volumes Sell-in (unit/000)	Net revenues (millions of Euros)	Volumes Sell-in	Net revenues	Volumes Sell-in	Net revenues
EMEA and Americas	9.5	100.8	10.3	103.3	-7.7%	-2.4%	(0.8)	(2.5)
of which EMEA	*5.9*	*93.4*	*6.7*	*95.8*	*-12.2%*	*-2.5%*	*(0.8)*	*(2.4)*
(of which Italy)	*3.2*	*60.4*	*3.8*	*61.8*	*-15.5%*	*-2.3%*	*(0.6)*	*(1.4)*
of which America	*3.7*	*7.4*	*3.7*	*7.5*	*0.4%*	*-1.0%*	*0.0*	*(0.1)*
India	80.0	231.9	70.0	184.7	14.2%	25.6%	10.0	47.2
TOTAL	**89.5**	**332.7**	**80.3**	**288.0**	**11.4%**	**15.5%**	**9.2**	**44.7**
Ape	85.3	212.9	75.5	165.6	13.0%	28.5%	9.8	47.2
Combustion engine	*67.9*	*142.8*	*69.6*	*142.3*	*-2.5%*	*0.4%*	*(1.7)*	*0.5*
Electric engine	*17.4*	*70.1*	*5.8*	*23.4*	*198.0%*	*200.1%*	*11.5*	*46.7*
Porter	4.2	74.1	4.9	77.8	-13.5%	-4.8%	(0.7)	(3.8)
Combustion engine	*4.2*	*74.1*	*4.9*	*77.8*	*-13.6%*	*-4.8%*	*(0.7)*	*(3.8)*
Electric engine	*0.004*	*0.016*	*0.000*	*0.000*	*100.0%*	*100.0%*	*0.004*	*0.016*
Spare Parts and Accessories		45.7		44.5		2.7%		1.2
TOTAL	**89.5**	**332.7**	**80.3**	**288.0**	**11.4%**	**15.5%**	**9.2**	**44.7**

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 nine months of 2023, the European light commercial vehicles market (vehicles with a maximum mass less than or equal to 3.5 tons), including the UK, recorded sales of approximately 1,339,434 units, +15.5% compared to the first nine months of 2022.

Specifically, the chassis cab segment in which Piaggio Commercial operates recorded sales of around 170,000 units. In detail, vehicle registrations on core European markets (Spain, France, Italy and Germany - served market) came to around 71,500 units (+1.6% compared to 2022), a volume still significantly lower than the figure for 2021 (approximately 87,000 units).

India

Sales on the Indian three-wheeler market[6], where Piaggio Vehicles Private Limited, a subsidiary of Piaggio & C. S.p.A. operates, went up from 263,364 units in the first nine months of 2022, to 463,898 in the same period of 2023 registering a 76.1% increase.

On this market, the growth was due particularly to the passenger vehicles segment, which recorded a very strong increase in units (+95.0%) from 198,063 in the first nine months of 2022 to 386,224 units in the first nine months of 2023. The cargo segment also increased (+18.9%), from 65,301 units in the first nine months of 2022 to 77,674 units in the same period of 2023.

Electric 3-wheelers reported significant growth (+182.4%) from 16,003 units in the first nine months of 2022 to 45,186 units in the same period of 2023.

Main results

During the first nine months of 2023, the Commercial Vehicles business generated net revenues of approximately €332.7 million, up by 15.5% compared to the same period of the previous year.

Growth was mainly concentrated in the India CGU (+25.6%; +35.8% at constant exchange rates).

The Indian affiliate Piaggio Vehicles Private Limited (PVPL) sold 74,787 three-wheelers on the Indian market (52,318 in the first nine months of 2022). The growth in three-wheeler vehicles with electric engines was considerable, going up from 5,827 units in the first nine months of 2022 to 17,364 units in the current period.

The Indian affiliate also exported 5,187 three-wheeler vehicles (17,687 in the same period of 2022).

EMEA markets, on the other hand, showed a slight decrease (-7.7% volumes; -2.4% net revenues).

Market positioning[7]

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).

On the Indian three-wheeler market[6], Piaggio has a 15.4% share (19.9% in the first nine months of 2022). Detailed analysis of the market shows that Piaggio lost its leadership position in the goods transport segment (cargo segment) with a share of 28.9% (33.5% in the first nine months

[6] The figures are for the L5 category of the 3-wheeler segment registered by SIAM (the Society of Indian Automobile Manufacturers). They exclude 'electric carts' and 'electric rickshaws'.

[7] Market shares for the first nine months of 2022 might differ from figures published last year, due to final vehicle registration data, which some countries publish with a few months' delay, being updated.

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of 2022). In the Passenger segment, market share also declined, from 15.4% in the first nine months of 2022 to the current 12.7%.

In the electric 3-wheeler segment, Piaggio increased its share to 37.0% (36.3% in the same period of 2022).

Subsequent events

5 October 2023 - Piaggio & C. S.p.a. redeemed the entire principal amount of the "€250,000,000 3.625% Senior Notes due 2025" securities, still outstanding, according to the terms indicated in the Conditional Notice of Redemption.

19 October 2023 - The CEO of Piaggio & C. S.p.A., Michele Colaninno, and the Vice President of Foton Motor Group, Ma Rentao, signed a contract in Beijing for the joint development of a new range of electric-powered Porters.
The new electric Porter range will be produced at the Piaggio Group's production sites in Pontedera, Italy, and distributed in main European countries by the end of 2024.

Operating outlook

Although it is still difficult to provide guidance given the persistent difficulties related to geopolitical tensions and the global macro-economic framework, thanks to its portfolio of iconic brands, Piaggio confirms that it will continue to pursue profit margin and productivity goals in the management of its production, logistic and procurement costs and in the management of all its international markets. Thanks to productivity improvements, the temporary slowdown in Asia will be compensated for.

The Indian, European and US markets remain positive despite the increase in interest rates in the last 12 months.

In light of this, Piaggio confirms the investments planned in new products in the two-wheeler sector and in commercial vehicles, and the consolidation of its commitment to ESG issues.

Transactions with related parties

Revenues, costs, payables and receivables as of 30 September 2023 involving parent, subsidiary and associate companies, 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.

Investments of members of the board of directors and members of the control committee

It should be noted that as of the date of this Interim Report on Operations, the 250,000 shares of the Parent Company Piaggio & C. S.p.A. held by the former Chairman and Chief Executive Officer, Roberto Colaninno, are subject to succession.

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 non-current provisions and the current portion of other non-current provisions.

Gross Industrial Margin: defined as the difference between Net Revenues and the corresponding Cost to sell of the period.

Cost to sell: includes 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 and use of third-party assets, 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; changes and percentages are calculated from figures in thousands and not from rounded off figures in millions.

Condensed Consolidated Interim Financial Statements as of 30 September 2023

Consolidated income statement

		First nine months 2023		First nine months 2022	
		Total	*of which related parties*	Total	*of which related parties*
In thousands of Euros	Notes				
Net revenues	4	1,626,248	7	1,626,876	
Costs for materials	5	1,027,612	19,409	1,056,872	34,707
Costs for services and use of third-party assets	6	223,224	1,144	227,319	1,008
Employee costs	7	199,039		196,911	
Depreciation and impairment costs of property, plant and equipment	8	39,845		37,975	
Amortisation and impairment costs of intangible assets	8	61,624		56,482	
Depreciation of rights of use	8	7,678		7,362	
Other operating income	9	117,844	289	110,625	401
Impairment of trade and other receivables, net	10	(2,703)		(1,705)	
Other operating costs	11	22,260	18	18,003	6
Operating income		**160,107**		**134,872**	
Results of associates - Income/(losses)	12	(156)	(156)	(162)	(162)
Financial income	13	1,812		930	
Financial costs	13	30,461	41	18,910	60
Net exchange-rate gains/(losses)	13	(1,441)		(2,417)	
Profit before tax		**129,861**		**114,313**	
Income taxes	14	44,153		43,439	
Profit (loss) from continuing operations		**85,708**		**70,874**	
Assets held for sale:					
Profits or losses arising from assets held for sale	15				
Net Profit (loss) for the period		**85,708**		**70,874**	
Attributable to:					
Owners of the Parent Company		**85,708**		**70,874**	
Non-controlling interests		**0**		**0**	
Earnings per share (figures in €)	16	**0.242**		**0.199**	
Diluted earnings per share (figures in €)	16	**0.242**		**0.199**	

Consolidated Statement of Comprehensive Income

In thousands of Euros	Notes	First nine months 2023	First nine months 2022
Net Profit (loss) for the period (A)		**85,708**	**70,874**
Items that will not be reclassified in the income statement			
Remeasurements of defined benefit plans	39	624	4,321
Total		**624**	**4,321**
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	39	(929)	(1,339)
Share of Other Comprehensive Income of associates valued with the equity method	39	(525)	455
Total profits (losses) on cash flow hedges	39	(3,725)	(4,966)
Total		**(5,179)**	**(5,850)**
Other comprehensive income (B)*		**(4,555)**	**(1,529)**
Total comprehensive income (loss) for the period (A + B)		**81,153**	**69,345**

* Other Profits (and losses) take account of relative tax effects.

Attributable to:		
Owners of the Parent Company	**81,164**	**69,374**
Non-controlling interests	**(11)**	**(29)**

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Consolidated Statement of Financial Position

		As of 30 September 2023		As of 31 December 2022	
		Total	*of which related parties*	**Total**	*of which related parties*
In thousands of Euros	Notes				
ASSETS					
Non-current assets					
Intangible assets	17	734,708		729,524	
Property, plant and equipment	18	286,903		291,366	
Rights of use	19	33,742		36,861	
Investments	34	9,232		9,913	
Other financial assets	35	16		16	
Tax receivables	24	7,365		8,820	
Deferred tax assets	20	52,381		71,611	
Trade receivables	22				
Other receivables	23	18,321		20,021	
Total non-current assets		**1,142,668**		**1,168,132**	
Assets held for sale	26				
Current assets					
Trade receivables	22	94,539	388	67,143	468
Other receivables	23	56,440	26,358	56,118	26,293
Tax receivables	24	49,611		45,101	
Inventories	21	336,800		379,678	
Other financial assets	35			59	
Cash and cash equivalents	36	232,848		242,616	
Total current assets		**770,238**		**790,715**	
Total assets		**1,912,906**		**1,958,847**	

In thousands of Euros	Notes	As of 30 September 2023 Total	As of 30 September 2023 *of which related parties*	As of 31 December 2022 Total	As of 31 December 2022 *of which related parties*
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital and reserves attributable to the owners of the Parent Company	38	418,105		417,977	
Share capital and reserves attributable to non-controlling interests	38	(177)		(166)	
Total shareholders' equity		**417,928**		**417,811**	
Non-current liabilities					
Financial liabilities	37	477,913		510,790	
Financial liabilities for rights of use	37	18,456	692	17,713	1,000
Trade payables	27				
Other non-current provisions	28	18,288		16,154	
Deferred tax liabilities	29	7,799		5,173	
Retirement funds and employee benefits	30	23,854		25,714	
Tax payables	31				
Other payables	32	15,670		15,530	
Total non-current liabilities		**561,980**		**591,074**	
Current liabilities					
Financial liabilities	37	117,578		71,149	
Financial liabilities for rights of use	37	8,065	691	11,192	1,296
Trade payables	27	665,303	10,404	739,832	9,858
Tax payables	31	18,182		19,022	
Other payables	32	105,930	27,185	93,710	26,450
Current portion of other non-current provisions	28	17,940		15,057	
Total current liabilities		**932,998**		**949,962**	
Total Shareholders' Equity and Liabilities		**1,912,906**		**1,958,847**	

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Consolidated Statement of Cash Flows

In thousands of Euros	Notes	First nine months 2023 Total	First nine months 2023 of which related parties	First nine months 2022 Total	First nine months 2022 of which related parties
Operating activities					
Net Profit (loss) for the period		85,708		70,874	
Income taxes	14	44,153		43,439	
Depreciation of property, plant and equipment	8	39,845		37,975	
Amortisation of intangible assets	8	61,624		56,057	
Depreciation of rights of use	8	7,678		7,362	
Provisions for risks and retirement funds and employee benefits		21,011		15,653	
Impairments/(Reinstatements)		2,685		2,124	
Losses/(Gains) on the disposal of property, plant and equipment		(2,408)		(164)	
Financial income	13	(1,812)		(930)	
Financial costs	13	30,461		18,910	
Income from public grants		(5,536)		(5,400)	
Share of results of associates	12	156		162	
Change in working capital:					
(Increase)/Decrease in trade receivables	22	(28,028)	80	(36,715)	133
(Increase)/Decrease in other receivables	23	(675)	(65)	2,246	119
(Increase)/Decrease in inventories	21	42,878		(96,603)	
Increase/(Decrease) in trade payables	27	(74,529)	546	127,347	2,777
Increase/(Decrease) in other payables	32	12,360	735	21,805	(68)
Increase/(Decrease) in provisions for risks	28	(9,101)		(12,404)	
Increase/(Decrease) in retirement funds and employee benefits	30	(8,706)		(8,639)	
Other changes		(7,847)		(41,179)	
Cash generated from operating activities		**209,917**		**201,920**	
Interest paid		(18,505)		(13,749)	
Taxes paid		(26,783)		(17,986)	
Cash flow from operating activities (A)		**164,629**		**170,185**	
Investment activities					
Investment in property, plant and equipment	18	(36,384)		(42,606)	
Proceeds from sales of property, plant and equipment		2,764		2,301	
Investment in intangible assets	17	(67,307)		(58,832)	
Proceeds from sales of intangible assets		184		24	
Public grants collected		1,455		958	
Interests received		1,676		688	
Cash flow from investment activities (B)		**(97,612)**		**(97,467)**	
Financing activities					
Purchase of treasury shares	38	(1,280)		(5,383)	
Outflow for dividends paid	38	(79,756)		(53,403)	
Loans received	37	63,620		86,273	
Outflow for repayment of loans	37	(50,497)		(74,115)	
Repayment of lease liabilities	37	(7,457)		(7,100)	
Cash flow from financing activities (C)		**(75,370)**		**(53,728)**	
Increase/(Decrease) in cash and cash equivalents (A+B+C)		(8,353)		18,990	
Opening balance		**242,552**		**260,856**	
Exchange differences		(1,351)		11,325	
Closing balance		**232,848**		**291,171**	

The data for the first nine months of 2022 have been re-presented with respect to figures published last year, for an easier comparison with the data for the first nine months of 2023.

Changes in Consolidated Shareholders’ Equity

Movements 1 January 2023 / 30 September 2023

						Transactions with shareholders					
In thousands of Euros	Notes	**As of 1 January 2023**	Earnings for the period	Other comprehensive income	**Total comprehensive income (loss) for the period**	Allocation of profits	Distribution of dividends	Cancellation of treasury shares	Purchase of treasury shares	Interim dividends	**As of 30 September 2023**
					39	38	38	38	38	38	
Share capital		207,614									**207,614**
Share premium reserve		7,171									**7,171**
Legal reserve		28,954				3,753					**32,707**
Reserve for measurement of financial instruments		2,545		(3,725)	**(3,725)**						**(1,180)**
IAS transition reserve		(15,525)						(5,789)			**(21,314)**
Group translation reserve		(43,488)		(1,443)	**(1,443)**						**(44,931)**
Treasury shares		(7,688)						7,688	(1,280)		**(1,280)**
Earnings reserve		183,705		624	**624**	15,475		(1,899)			**197,905**
Earnings for the period		54,689	85,708		**85,708**	(19,228)	(35,461)			(44,295)	**41,413**
Consolidated Group shareholders’ equity		**417,977**	**85,708**	**(4,544)**	**81,164**	**0**	**(35,461)**	**0**	**(1,280)**	**(44,295)**	**418,105**
Share capital and reserves attributable to non-controlling interests		**(166)**		(11)	**(11)**						**(177)**
TOTAL SHAREHOLDERS’ EQUITY		**417,811**	**85,708**	**(4,555)**	**81,153**	**0**	**(35,461)**	**0**	**(1,280)**	**(44,295)**	**417,928**

Movements 1 January 2022 / 30 September 2022

						Transactions with shareholders				
In thousands of Euros	Notes	**As of 1 January 2022**	Earnings for the period	Other comprehensive income	**Total comprehensive income (loss) for the period**	Allocation of profits	Distribution of dividends	Purchase of treasury shares	Interim dividends	**As of 30 September 2022**
					39	38	38	38	38	
Share capital		207,614								**207,614**
Share premium reserve		7,171								**7,171**
Legal reserve		26,052				2,902				**28,954**
Reserve for measurement of financial instruments		6,083		(4,966)	**(4,966)**					**1,117**
IAS transition reserve		(15,525)								**(15,525)**
Group translation reserve		(31,026)		(855)	**(855)**					**(31,881)**
Treasury shares		(2,019)						(5,383)		**(7,402)**
Earnings reserve		176,185		4,321	**4,321**	8,589	(4,994)			**184,101**
Earnings for the period		29,700	70,874		**70,874**	(11,491)	(18,209)		(30,200)	**40,674**
Consolidated Group shareholders’ equity		**404,235**	**70,874**	**(1,500)**	**69,374**	**0**	**(23,203)**	**(5,383)**	**(30,200)**	**414,823**
Share capital and reserves attributable to non-controlling interests		**(149)**		(29)	**(29)**					**(178)**
TOTAL SHAREHOLDERS’ EQUITY		**404,086**	**70,874**	**(1,529)**	**69,345**	**0**	**(23,203)**	**(5,383)**	**(30,200)**	**414,645**

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 2022 and 30 September 2022.

2. Compliance with international accounting standards

These Interim Financial Statements have been prepared in compliance with IAS 34 — Interim Financial Reporting.

The Condensed Consolidated Interim Financial Statements should be read in conjunction with the Group's consolidated financial statements as of 31 December 2022 (the "Annual Consolidated Financial Statements"), which have been prepared in compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and in compliance with provisions established by Consob in Communication no. 6064293 of 28 July 2006.

The accounting policies adopted are consistent with those applied in the Annual Consolidated Financial Statements of the Group, with the exception of the section "New accounting standards, amendments and interpretations adopted from 1 January 2023".

The preparation of the Condensed Consolidated Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities as well as the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of these Condensed Consolidated Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified 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 Annual Consolidated Financial Statements at 31 December 2022.

It should finally be noted that some assessment processes, in particular the most complex ones such as establishing any impairment of non-current assets, are generally undertaken in full only when preparing the annual consolidated 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 2023

- On 18 May 2017, the IASB published *IFRS 17 - Insurance Contracts*, which is intended to replace IFRS 4 - Insurance Contracts. The standard applies from 1 January 2023 but early application is permitted, only for entities that apply IFRS 9 - *Financial Instruments* and IFRS 15 - *Revenue from Contracts with Customers.*
- On 9 December 2021, the IASB published an amendment called "*Amendments to IFRS 17 Insurance contracts*: *Initial Application of IFRS 17 and IFRS 9 – Comparative Information"*. The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The amendments apply from 1 January 2023, together with the application of IFRS 17.
- On 12 February 2021, the IASB published two amendments entitled "*Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates - Amendments to IAS 8".* The amendments are intended to improve the disclosure *on* accounting *policies* so as to provide more useful information to investors and other primary users of financial statements as well as to help companies distinguish changes in accounting estimates from changes in accounting policy. The amendments apply from 1 January 2023.
- On 7 May 2021, the IASB published an amendment called "*Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*". The document clarifies how deferred taxes should be accounted for on certain transactions that may generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments apply from 1 January 2023.

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

As of the date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and principles described below.

- On 23 January 2020, the IASB published an amendment called '*Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current'* and on 31 October 2022 published an amendment called '*Amendments to IAS 1 Presentation of Financial Statements*: *Non-Current Liabilities with Covenants*'. The documents aim to clarify how to classify payables and other short- or long-term liabilities. The changes will enter into force on 1 January 2024; early application is still permitted.
- On 22 September 2022, the IASB published an amendment called '*Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback*'*.* The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use. The amendments will apply from 1 January 2024, but early application is permitted.
- On 23 May 2023, the IASB published an amendment called '*Amendments to IAS 12 Income Taxes: International Tax Reform - Pillar Two Model Rules*'. The document introduces a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules and provides for specific disclosure requirements for entities affected by the relevant International Tax Reform. The document provides for the immediate application of the temporary exception, while the disclosure requirements will only be applicable to annual financial statements commencing on or after 1 January 2023, but not to interim financial statements with a closing date prior to 31 December 2023.
- On 25 May 2023, the IASB published an amendment entitled '*Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements'*. The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The amendments will apply from 1 January 2024, but early application is permitted.
- On 15 August 2023, the IASB published an amendment entitled 'Amendments to IAS 21: Lack of Exchangeability'. The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that allows users

of financial statements to understand the impact of a non-exchangeable currency. The amendments will apply from 1 January 2025, but early application is permitted.

The Group 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.

Finally, it should be noted that the International Sustainability Standards Board (ISSB) published the first 2 'Sustainability Reporting Standards' on 26 June 2023. These concern:

- General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1), which is the basic framework for the disclosure of material information on sustainability-related risks and opportunities along an entity's value chain.
- Climate-related Disclosures (IFRS S2), the first thematic standard issued that establishes disclosure requirements for climate-related risks and opportunities.

The new standards will apply to the CSRD[8], which for Piaggio will replace the Non-Financial Statement as of 1 January 2024.

[8] The Corporate Sustainability Reporting Directive will come into force for European listed companies from the 2024 financial statements.

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.

Currency	**Spot exchange rate 29 September 2023**	**Average exchange rate First nine months 2023**	**Spot exchange rate 31 December 2022**	**Average exchange rate First nine months 2022**
US Dollar	1.0594	1.08329	1.0666	1.06384
Pounds Sterling	0.86458	0.870719	0.88693	0.847159
Indian Rupee	88.0165	89.23137	88.1710	82.29833
Singapore Dollars	1.4443	1.45232	1.43	1.46306
Chinese Yuan	7.7352	7.62355	7.3582	7.01931
Croatian Kuna[9]	N.A.	N.A.	7.5345	7.53346
Japanese Yen	158.10	149.65146	140.66	135.96793
Vietnamese Dong	25,802.00	25,629.95313	25,183.00	24,570.25389
Indonesian Rupiah	16,383.62	16,375.00370	16,519.82	15,539.05295
Brazilian Real	5.3065	5.42452	5.6386	5.46308

[9] Croatia adopted the euro on 1 January 2023.

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 Chief Executive Officer, considered to be the Chief Operating Decision Maker ("CODM") as defined under IFRS 8 — Operating Segments, for business management purposes, for the purposes of allocating resources and assessing the performance of the Group.

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.

The Gross Industrial Margin is the key profit measure used by the CODM to assess performance and allocate resources to the Group's operating segments, as well as to analyse operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. The Gross Industrial Margin is defined as the difference between Net Revenues and the corresponding Cost to sell of the period.

INCOME STATEMENT BY OPERATING SEGMENT

		EMEA and Americas	India	Asia Pacific 2W	Total
	First nine months 2023	222.4	110.5	121.5	**454.4**
	First nine months 2022	230.5	114.0	145.8	**490.4**
Sales volumes	Change	(8.1)	(3.5)	(24.3)	**(35.9)**
(unit/000)	Change %	-3.5%	-3.1%	-16.6%	**-7.3%**
	First nine months 2023	1,043.7	267.2	315.4	**1,626.2**
	First nine months 2022	1,000.5	235.2	391.1	**1,626.9**
Net revenues	Change	43.1	32.0	(75.8)	**(0.6)**
(millions of Euros)	Change %	4.3%	13.6%	-19.4%	**0.0%**
	First nine months 2023	741.2	217.0	199.2	**1,157.4**
	First nine months 2022	748.7	205.4	243.9	**1,197.9**
Cost to sell	Change	(7.5)	11.6	(44.7)	**(40.5)**
(million euro)	Change %	-1.0%	5.7%	-18.3%	**-3.4%**
	First nine months 2023	302.4	50.2	116.2	**468.8**
Gross margin	First nine months 2022	251.8	29.8	147.3	**428.9**
(millions of Euros)	Change	50.6	20.4	(31.1)	**39.9**
	Change %	20.1%	68.2%	-21.1%	**9.3%**

C) INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

4. Net revenues €/000 1,626,248

Revenues are shown net of rebates recognised to customers (dealers).
This item does not include transport costs, which are recharged to customers (€/000 38,725) and invoiced advertising cost recoveries (€/000 4,375), 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

	First nine months 2023		First nine months 2022		Changes	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
In thousands of Euros						
EMEA and Americas	1,043,673	64.2	1,000,543	61.5	43,130	4.3
India	267,204	16.4	235,206	14.5	31,998	13.6
Asia Pacific 2W	315,371	19.4	391,127	24.0	(75,756)	-19.4
Total	**1,626,248**	**100.0**	**1,626,876**	**100.0**	**(628)**	**0.0**

Revenues by vehicle type

	First nine months 2023		First nine months 2022		Changes	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
In thousands of Euros						
Two-wheelers	1,293,551	79.5	1,338,881	82.3	(45,330)	-3.4
Commercial Vehicles	332,697	20.5	287,995	17.7	44,702	15.5
Total	**1,626,248**	**100.0**	**1,626,876**	**100.0**	**(628)**	**0.0**

In the first nine months of 2023, net sales revenues remained substantially in line with the corresponding 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 1,027,612

The reduction in costs for materials compared to the first nine months of 2022 (-2.8%) was due to the decrease in sales volumes. The item includes €/000 19,409 (€/000 34,707 in the same period of 2022) for purchases of scooters from the Chinese affiliate Zongshen Piaggio Foshan Motorcycle Co., that are sold on various markets.

6. Costs for services and use of third-party assets **€/000 223,224**

This item decreased by 1.8% compared to the same period of the previous year. The reduction is mainly related to the drop in energy and transport costs, which had reached abnormal peaks in 2022.

7. Employee costs **€/000 199,039**

Employee costs include €/000 2,076 relating to costs for redundancy plans mainly for the Pontedera and Noale production sites.

	First nine months 2023	First nine months 2022	Change
In thousands of Euros			
Salaries and wages	151,850	150,960	890
Social security contributions	37,352	37,640	(288)
Termination benefits	6,775	6,389	386
Other costs	3,062	1,922	1,140
Total	**199,039**	**196,911**	**2,128**

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

	Average number		
	First nine months 2023	First nine months 2022	Change
Level			
Senior management	115.0	110.2	4.8
Middle management	684.8	672.7	12.1
White collars	1,642.1	1,606.9	35.2
Blue collars	3,875.9	4,105.9	(230.0)
Total	**6,317.8**	**6,495.7**	**(177.9)**

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.

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	Number as of		
	30 September 2023	31 December 2022	Change
Senior management	115	116	(1)
Middle management	687	688	(1)
White collars	1,645	1,596	49
Blue collars	3,569	3,438	131
Total	**6,016**	**5,838**	**178**
EMEA and Americas	3,355	3,260	95
India	1,432	1,369	63
Asia Pacific 2W	1,229	1,209	20
Total	**6,016**	**5,838**	**178**

8. Amortisation/depreciation and impairment costs — €/000 109,147

This item consists of:

	First nine months 2023	First nine months 2022	Change
In thousands of Euros			
Amortisation of intangible assets and impairment costs	61,624	56,482	5,142
Depreciation of property, plant and equipment and impairment costs	39,845	37,975	1,870
Depreciation of rights of use	7,678	7,362	316
Total	**109,147**	**101,819**	**7,328**

9. Other operating income — €/000 117,844

This item, consisting mainly of increases in own work capitalised and cost recoveries re-invoiced to customers, increased by 6.5% compared to the first nine months of 2022.

Other income includes €/000 1,878 in subsidies from the Indian government given to the subsidiary Piaggio Vehicles Private Limited for investments made 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. Impairment of trade and other receivables, net **€/000 (2,703)**

This item consists mainly of write-downs of receivables in current assets.

11. Other operating costs **€/000 22,260**

The increase of €/000 4,257 is mainly related to higher provisions for risks.

12. Results of associates - Income/(losses) **€/000 (156)**

Net expenses from associates are broken down as follows:

- €/000 (161) Group's share of the result of the joint venture Zongshen Piaggio Foshan Motorcycle Co. Ltd accounted for using the equity method;
- €/000 5 Group's share of the result of the affiliated company Pontech accounted for using the equity method.

13. Net financial income (financial costs) **€/000 (30,090)**

The balance of financial income (costs) for the first nine months of 2023 was negative for €/000 30,090. This result compared to the same period of the previous year is mainly due to the rise in interest rates on debt, partially offset by the positive impact of currency management.

14. Income taxes **€/000 44,153**

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

15. Profits or losses arising from assets held for 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:

		First nine months 2023	First nine months 2022
Net profit (loss) for the period	€/000	85,708	70,874
Earnings attributable to ordinary shares	€/000	85,708	70,874
Average number of ordinary shares in circulation		354,554,003	356,329,951
Earnings per ordinary share	€	0.242	0.199
Adjusted average number of ordinary shares		354,554,003	356,329,951
Diluted earnings per ordinary share	€	0.242	0.199

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D) INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

17. Intangible assets €/000 734,708

Intangible assets went up overall by €/000 5,184, 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 and know-how for new products and new engines, as well as the purchase of software.
Financial costs of €/000 2,117 were capitalised in the first nine months of 2023.

The table below shows the breakdown of intangible assets as of 30 September 2023, as well as changes during the period.

In thousands of Euros	Situation at 31.12.2022	Movements for the period							Situation at 30.09.2023
	Net value	Investments	Transitions in the period	Amortisation	Disposals	Write-downs	Exchange differences	Other	Net value
Development costs	**109,322**	**32,187**	**0**	**(25,676)**	**(141)**	**0**	**(214)**	**0**	**115,478**
In service	79,293	2,513	5,380	(25,676)	0	0	(238)	0	61,272
Assets under development and advances	30,029	29,674	(5,380)	0	(141)	0	24	0	54,206
Patent rights	**142,377**	**34,887**	**0**	**(35,739)**	**(43)**	**0**	**5**	**0**	**141,487**
In service	101,330	5,512	6,969	(35,739)	(43)	0	1	0	78,030
Assets under development and advances	41,047	29,375	(6,969)	0	0	0	4	0	63,457
Trademarks	**29,412**	**0**	**0**	**(50)**	**0**	**0**	**0**	**0**	**29,362**
In service	29,412	0	0	(50)	0	0	0	0	29,362
Goodwill	**446,940**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**446,940**
In service	446,940	0	0	0	0	0	0	0	446,940
Other	**1,473**	**233**	**0**	**(159)**	**0**	**0**	**(39)**	**(67)**	**1,441**
In service	272	65	378	(159)	0	0	0	(67)	489
Assets under development and advances	1,201	168	(378)	0	0	0	(39)	0	952
Total	**729,524**	**67,307**	**0**	**(61,624)**	**(184)**	**0**	**(248)**	**(67)**	**734,708**
In service	657,247	8,090	12,727	(61,624)	(43)	0	(237)	(67)	616,093
Assets under development and advances	72,277	59,217	(12,727)	0	(141)	0	(11)	0	118,615

18. Property, plant and equipment €/000 286,903

Property, plant and equipment mainly refer to Group production facilities in Pontedera (Pisa), Noale (Venice), Mandello del Lario (Lecco), Baramati (India), Vinh Phuc (Vietnam) and Jakarta (Indonesia).
Property, plant and equipment decreased by a total of €/000 4,463 mainly due to depreciation for the period, which was only partially offset by investments for the period, and the impact of the devaluation of the Indian rupee and Vietnamese dong on the euro.
The increases mainly relate to the construction of moulds for new vehicles launched during the period.
Financial 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. Financial costs of €/000 378 were capitalised in the first nine months of 2023.

The table below shows the breakdown of property, plant and equipment as of 30 September 2023, as well as changes during the period.

In thousands of Euros	**Situation at 31.12.2022**	**Movements for the period**							**Situation at 30.09.2023**
	Net value	**Investments**	**Transitions in the period**	**Depreciation**	**Disposals**	**Write-downs**	**Exchange differences**	**Other**	**Net value**
Land	**37,213**	**0**	**0**	**0**	**0**	**0**	**79**	**0**	**37,292**
In service	37,213	0	0	0	0	0	79	0	37,292
Assets under construction and advances	0	0	0	0	0	0	0	0	0
Buildings	**89,830**	**2,219**	**0**	**(3,973)**	**(187)**	**0**	**(197)**	**(47)**	**87,645**
In service	86,377	344	858	(3,973)	(187)	0	(191)	20	83,248
Assets under construction and advances	3,453	1,875	(858)	0	0	0	(6)	(67)	4,397
Plant and machinery	**108,974**	**22,082**	**0**	**(16,564)**	**(57)**	**0**	**(526)**	**20**	**113,929**
In service	95,221	2,177	9,484	(16,564)	0	0	(438)	20	89,900
Assets under construction and advances	13,753	19,905	(9,484)	0	(57)	0	(88)	0	24,029
Equipment	**41,745**	**5,787**	**0**	**(11,717)**	**(54)**	**0**	**12**	**40**	**35,813**
In service	38,382	2,158	867	(11,717)	(54)	0	10	420	30,066
Assets under construction and advances	3,363	3,629	(867)	0	0	0	2	(380)	5,747
Other assets	**13,604**	**6,296**	**0**	**(7,591)**	**(58)**	**0**	**(14)**	**(13)**	**12,224**
In service	10,426	5,566	3,222	(7,591)	(42)	0	(15)	(13)	11,553
Assets under construction and advances	3,178	730	(3,222)	0	(16)	0	1	0	671
Total	**291,366**	**36,384**	**0**	**(39,845)**	**(356)**	**0**	**(646)**	**0**	**286,903**
In service	267,619	10,245	14,431	(39,845)	(283)	0	(555)	447	252,059
Assets under construction and advances	23,747	26,139	(14,431)	0	(73)	0	(91)	(447)	34,844

19. Rights of Use — €/000 33,742

This financial statement item includes the discounted value of operating leases, finance leases and prepaid lease payments for the use of real estate.

In thousands of Euros	Land	Buildings	Plant and machinery	Equipment	Other assets	Total
Situation at 31.12.2022	**7,049**	**18,659**	**7,275**	**1,661**	**2,217**	**36,861**
Increases		2,467			2,461	4,928
Depreciation	(141)	(5,308)	(642)	(318)	(1,269)	(7,678)
Decreases	(7)	(241)			(1)	(249)
Exchange differences	(116)	(5)			1	(120)
Movements for the period	**(264)**	**(3,087)**	**(642)**	**(318)**	**1,192**	**(3,119)**
Situation at 30.09.2023	**6,785**	**15,572**	**6,633**	**1,343**	**3,409**	**33,742**

Commitments for lease instalments falling due are detailed in Note 37 'Financial liabilities'.

20. Deferred tax assets — €/000 52,381

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:

- 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;
- taxable income expected in the medium term for each single company and the economic and tax impact. In this scenario, plans resulting from the reworking of the Group plan were taken as a reference;
- the tax rate in effect in the year when temporary differences occur.

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.

21. Inventories **€/000 336,800**

This item comprises:

	As of 30 September 2023	As of 31 December 2022	Change
In thousands of Euros			
Raw materials and consumables	175,373	202,223	(26,850)
Provision for write-down	(17,953)	(11,532)	(6,421)
Net value	*157,420*	*190,691*	*(33,271)*
Work in progress and semi-finished products	14,861	31,993	(17,132)
Provision for write-down	(852)	(852)	0
Net value	*14,009*	*31,141*	*(17,132)*
Finished products and goods	185,666	176,632	9,034
Provision for write-down	(20,732)	(19,754)	(978)
Net value	*164,934*	*156,878*	*8,056*
Advances	437	968	(531)
Total	**336,800**	**379,678**	**(42,878)**

22. Trade receivables (current and non-current) **€/000 94,539**

As of 30 September 2023 and 31 December 2022, there were no trade receivables in non-current assets. Current trade receivables are broken down as follows:

	As of 30 September 2023	As of 31 December 2022	Change
In thousands of Euros			
Trade receivables due from customers	94,151	66,675	27,476
Trade receivables due from JV	383	459	(76)
Trade receivables due from parent companies		9	(9)
Trade receivables due from associates	5		5
Total	**94,539**	**67,143**	**27,396**

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 33,041.

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 30 September 2023, trade receivables still due sold without recourse totalled €/000 151,095. Of these amounts, Piaggio received payment prior to natural expiry of €/000 138,131.
As of 30 September 2023, advance payments received from factoring companies and banks, for trade receivables sold with recourse totalled €/000 15,496 with a counter entry recorded in current liabilities.

23. Other receivables (current and non-current) €/000 74,761

They consist of:

	As of 30 September 2023			As of 31 December 2022			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
In thousands of Euros									
Receivables due from parent companies	25,765		25,765	25,721		25,721	44	0	44
Receivables due from JV	588		588	544		544	44	0	44
Receivables due from affiliated companies	5		5	28		28	(23)	0	(23)
Accrued income	1,731		1,731	1,390		1,390	341	0	341
Deferred charges	13,230	9,234	22,464	11,331	10,771	22,102	1,899	(1,537)	362
Advance payments to suppliers	1,202	1	1,203	1,095	1	1,096	107	0	107
Advances to employees	472	24	496	513	24	537	(41)	0	(41)
Fair value of hedging derivatives	4,105	276	4,381	5,530	582	6,112	(1,425)	(306)	(1,731)
Security deposits	306	1,165	1,471	299	1,125	1,424	7	40	47
Receivables due from others	9,036	7,621	16,657	9,667	7,518	17,185	(631)	103	(528)
Total	**56,440**	**18,321**	**74,761**	**56,118**	**20,021**	**76,139**	**322**	**(1,700)**	**(1,378)**

Receivables due from associates regard amounts due from 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 basis (€/000 3,768 current portion), to the fair value of an Interest Rate Swap designated as a hedge and recognised on a cash flow hedge basis (€/000 276 non-current portion and €/000 276 current portion), and to the fair value of derivatives hedging commodity risk recognised on a cash flow hedge basis (€/000 61 current portion).
Receivables due from others include €/000 3,888 (€/000 3,480 as of 31 December 2022) 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. This receivable is recognised in the income statement in proportion to the depreciation of the assets on which the grant was made. 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. During the first nine months of 2023, the Indian company collected receivables related to these subsidies for €/000 1,113.

24. Tax receivables (current and non-current) €/000 56,976

Tax receivables consist of:

	As of 30 September 2023			As of 31 December 2022			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
In thousands of Euros									
VAT	13,080	293	13,373	33,828	741	34,569	(20,748)	(448)	(21,196)
Income tax	4,500	6,366	10,866	2,949	6,270	9,219	1,551	96	1,647
Others	32,031	706	32,737	8,324	1,809	10,133	23,707	(1,103)	22,604
Total	**49,611**	**7,365**	**56,976**	**45,101**	**8,820**	**53,921**	**4,510**	**(1,455)**	**3,055**

25. Receivables due after 5 years €/000 0

As of 30 September 2023, there were no receivables due after 5 years.

26. Assets held for sale €/000 0

As of 30 September 2023, there were no assets held for sale.

27. Trade payables (current and non-current) €/000 665,303

As of 30 September 2023 and as of 31 December 2022 no trade payables were recorded under non-current liabilities. Trade payables recorded as current liabilities are broken down as follows:

	As of 30 September 2023	As of 31 December 2022	Change
In thousands of Euros			
Trade payables to suppliers	654,899	729,974	(75,075)
Trade payables to JV	10,325	9,518	807
Trade payables due to associates	10	26	(16)
Trade payables due to parent companies	69	314	(245)
Total	**665,303**	**739,832**	**(74,529)**
Of which indirect factoring	*301,215*	*297,231*	*3,984*

To facilitate credit conditions for its suppliers, the Group has always used some indirect factoring agreements, mainly supply chain financing and reverse factoring agreements. These operations have not changed the primary obligation or substantially changed payment terms, so their nature is the same and they are still classified as trade payables.

As of 30 September 2023, the value of trade payables covered by reverse factoring or supply chain financing agreements was equal to €/000 301,215 (€/000 297,231 as of 31 December 2022).

28. Provisions (current and non-current portion) €/000 36,228

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

	Balance as of 31 December 2022	Allocations	Utilizations	Exchange differences	Balance as of 30 September 2023
In thousands of Euros					
Provision for product warranties	21,057	9,520	(8,478)	(105)	21,994
Provision for contractual risks	6,974	2,000		7	8,981
Risk provision for legal disputes	1,933		(48)	1	1,886
Provision for ETS certificates	513	500	(513)		500
Other provisions for risks	734	2,163	(62)	32	2,867
Total	**31,211**	**14,183**	**(9,101)**	**(65)**	**36,228**

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

	As of 30 September 2023			As of 31 December 2022			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
In thousands of Euros									
Provision for product warranties	13,845	8,149	21,994	13,042	8,015	21,057	803	134	937
Provision for contractual risks	981	8,000	8,981	974	6,000	6,974	7	2,000	2,007
Risk provision for legal disputes	165	1,721	1,886	212	1,721	1,933	(47)	0	(47)
Provision for ETS certificates	500	-	500	513	-	513	(13)	0	(13)
Other provisions for risks	2,449	418	2,867	316	418	734	2,133	0	2,133
Total	**17,940**	**18,288**	**36,228**	**15,057**	**16,154**	**31,211**	**2,883**	**2,134**	**5,017**

The provision for product warranties 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 9,520 and was used for €/000 8,478 in relation to charges incurred during the period.

The provision for contractual risks refers to charges that may arise from supply contracts.

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

Other risk provisions include management's best estimate of probable liabilities at the reporting date.

29. Deferred tax liabilities €/000 7,799

Deferred tax liabilities amount to €/000 7,799 compared to €/000 5,173 as of 31 December 2022.

30. Retirement funds and employee benefits €/000 23,854

	As of 30 September 2023	As of 31 December 2022	Change
In thousands of Euros			
Retirement funds	824	771	53
Termination benefits provision	23,030	24,943	(1,913)
Total	**23,854**	**25,714**	**(1,860)**

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 30 September 2023 would have been lower by €/000 699.

31. Tax payables (current and non-current) €/000 18,182

As of 30 September 2023 and as of 31 December 2022 no tax payables were recorded under non-current liabilities. Tax payables recorded as current liabilities are broken down as follows:

	As of 30 September 2023	As of 31 December 2022	Change
In thousands of Euros			
Due for income tax	10,477	11,651	(1,174)
Due for non-income tax	78	193	(115)
Tax payables for:			
. VAT	2,910	1,120	1,790
. Tax withheld at source	2,709	5,532	(2,823)
. Others	2,008	526	1,482
Total	7,627	7,178	449
TOTAL	**18,182**	**19,022**	**(840)**

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 tax withholdings made refer mainly to withholdings on employees' earnings, on employment termination payments and on self-employed earnings.

32. Other payables (current and non-current) €/000 121,600

This item comprises:

	As of 30 September 2023			As of 31 December 2022			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
In thousands of Euros									
To employees	34,080	48	34,128	28,377	48	28,425	5,703	-	5,703
Guarantee deposits		4,542	4,542		4,087	4,087	-	455	455
Accrued expenses	12,225		12,225	4,696		4,696	7,529	-	7,529
Deferred income	6,801	11,004	17,805	4,233	11,318	15,551	2,568	(314)	2,254
Amounts due to social security institutions	5,214		5,214	9,037		9,037	(3,823)	-	(3,823)
Fair value of derivatives	5,877		5,877	3,062		3,062	2,815	-	2,815
To associates	70		70	114		114	(44)	-	(44)
To parent companies	27,115		27,115	26,336		26,336	779	-	779
Others	14,548	76	14,624	17,855	77	17,932	(3,307)	(1)	(3,308)
Total	**105,930**	**15,670**	**121,600**	**93,710**	**15,530**	**109,240**	**12,220**	**140**	**12,360**

Amounts due to employees include the amount for holidays accrued but not taken of €/000 12,354 and other payments to be made for €/000 21,774.

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 exchange rate hedging for forecast transactions recognised on a cash flow hedge basis (€/000 5,324 current portion) and the fair value of commodity hedging derivatives recognised on a cash flow hedge basis (€/000 553 current portion).

The item Accrued expenses includes €/000 46 for interest on hedging derivatives and associated hedged items measured at fair value.

Deferred income includes €/000 5,347 (€/000 5,711 as of 31 December 2022) 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 23 "Other receivables".

33. Payables due after 5 years

The Group has loans due after 5 years, which are referred to in detail in Note 37 "Financial 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

34. Investments €/000 9,232

The investments heading comprises:

	As of 30 September 2023	As of 31 December 2022	Change
In thousands of Euros			
Interests in joint ventures	9,011	9,697	(686)
Investments in associates	221	216	5
Total	**9,232**	**9,913**	**(681)**

During the period, the value of investments in joint ventures and in associates was adjusted to the corresponding value of shareholders' equity.

35. Other financial assets (current and non-current) €/000 16

This item comprises:

	As of 30 September 2023			As of 31 December 2022			Change		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
In thousands of Euros									
Fair Value of hedging derivatives			0	59		59	(59)	0	(59)
Investments in other companies		16	16		16	16	0	0	0
Total	**0**	**16**	**16**	**59**	**16**	**75**	**(59)**	**0**	**(59)**

36. Cash and cash equivalents €/000 232,848

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

	As of 30 September 2023	As of 31 December 2022	Change
In thousands of Euros			
Bank and postal deposits	232,776	242,569	(9,793)
Cash on hand	72	47	25
Total	**232,848**	**242,616**	**(9,768)**

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 30 September 2023	As of 30 September 2022	Change
In thousands of Euros			
Liquidity	232,848	292,083	(59,235)
Current account overdrafts		(912)	912
Closing balance	**232,848**	**291,171**	**(58,323)**

37. Financial liabilities and financial liabilities for rights of use (current and non-current) — €/000 622,012

During the first nine months of 2023, the Group's total debt went up by €/000 11,168. Net of the change in financial liabilities for rights of use, the Group's total financial debt increased by €/000 13,552 as of 30 September 2023.

	Financial liabilities as of 30 September 2023			Financial liabilities as of 31 December 2022			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
In thousands of Euros									
Financial liabilities	117,578	477,913	595,491	71,149	510,790	581,939	46,429	(32,877)	13,552
Financial liabilities for rights of use	8,065	18,456	26,521	11,192	17,713	28,905	(3,127)	743	(2,384)
Total	**125,643**	**496,369**	**622,012**	**82,341**	**528,503**	**610,844**	**43,302**	**(32,134)**	**11,168**

Net financial debt of the Group amounted to €/000 389,164 as of 30 September 2023 compared to €/000 368,228 as of 31 December 2022.

The composition of "Net financial debt" as of 30 September 2023, prepared in accordance with paragraph 175 and following of ESMA Recommendations 2021/32/382/1138, is set out below.

Financial position (Consolidated net financial debt)[10]

		As of 30 September 2023	As of 31 December 2022	Change
In thousands of Euros				
A	**Cash**	**232,848**	**242,616**	**(9,768)**
B	**Cash equivalents**			**0**
C	**Other current financial assets**			**0**
D	**Liquidity (A + B + C)**	**232,848**	**242,616**	**(9,768)**
E	**Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)**	**(81,292)**	**(33,739)**	**(47,553)**
	Payables due to banks	(57,660)	(10,436)	(47,224)
	Debenture loan			0
	Amounts due to factoring companies	(15,496)	(12,040)	(3,456)
	Financial liabilities for rights of use	(8,065)	(11,192)	3,127
	.of which finance leases	*(1,251)*	*(1,190)*	*(61)*
	.of which operating leases	*(6,814)*	*(10,002)*	*3,188*
	Current portion of payables due to other lenders	(71)	(71)	0
F	**Current portion of non-current financial debt**	**(44,351)**	**(48,602)**	**4,251**
G	**Current financial indebtedness (E + F)**	**(125,643)**	**(82,341)**	**(43,302)**
H	**Net current financial indebtedness (G - D)**	**107,205**	**160,275**	**(53,070)**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(249,858)**	**(282,767)**	**32,909**
	Medium-/long-term bank loans	(231,261)	(264,878)	33,617
	Financial liabilities for rights of use	(18,456)	(17,713)	(743)
	.of which finance leases	*(2,336)*	*(3,286)*	*950*
	.of which operating leases	*(16,120)*	*(14,427)*	*(1,693)*
	Amounts due to other lenders	(141)	(176)	35
J	**Debt instruments**	**(246,511)**	**(245,736)**	**(775)**
K	**Non-current trade and other payables**			**0**
L	**Non-current financial indebtedness (I + J + K)**	**(496,369)**	**(528,503)**	**32,134**
M	**Total financial indebtedness (H + L)**	**(389,164)**	**(368,228)**	**(20,936)**

As regards indirect factoring, please refer to the comment in Note 27 "Trade payables".

[10] 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 in the two periods compared and relative accruals.

The following table summarises the movements during the period.

		Balance as of 31.12.2022	Cash flows			Reclassifications	Exchange delta	Other changes	Balance as of 30.09.2023
			Movements	Repayments	New issues				
In thousands of Euros									
A	Cash	242,616	(8,417)				(1,351)		232,848
B	Cash equivalents								0
C	Other current financial assets								0
D	**Liquidity (A + B + C)**	**242,616**	**(8,417)**	**0**	**0**	**0**	**(1,351)**	**0**	**232,848**
E	**Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)**	**(33,739)**	**0**	**19,677**	**(63,620)**	**(4,407)**	**798**	**(1)**	**(81,292)**
	Current account overdrafts	(64)		64					0
	Current account payables	(10,372)		81	(48,124)		755		(57,660)
	Total current bank loans	*(10,436)*	*0*	*145*	*(48,124)*	*0*	*755*	*0*	*(57,660)*
	Debenture loan	0							0
	Amounts due to factoring companies	(12,040)		12,040	(15,496)				(15,496)
	Financial liabilities for rights of use	(11,192)		7,457		(4,372)	43	(1)	(8,065)
	.of which finance leases	*(1,190)*		*890*		*(950)*		*(1)*	*(1,251)*
	.of which operating leases	*(10,002)*		*6,567*		*(3,422)*	*43*		*(6,814)*
	Current portion of payables due to other lenders	(71)		35		(35)			(71)
F	**Current portion of non-current financial debt**	**(48,602)**		**38,341**		**(34,065)**		**(25)**	**(44,351)**
G	**Current financial indebtedness (E + F)**	**(82,341)**	**0**	**58,018**	**(63,620)**	**(38,472)**	**798**	**(26)**	**(125,643)**
H	**Net current financial indebtedness (G - D)**	**160,275**	**(8,417)**	**58,018**	**(63,620)**	**(38,472)**	**(553)**	**(26)**	**107,205**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(282,767)**	**0**	**0**	**0**	**38,472**	**(41)**	**(5,522)**	**(249,858)**
	Medium-/long-term bank loans	(264,878)				34,065		(448)	(231,261)
	Financial liabilities for rights of use	(17,713)			0	4,372	(41)	(5,074)	(18,456)
	.of which finance leases	*(3,286)*				*950*			*(2,336)*
	.of which operating leases	*(14,427)*				*3,422*	*(41)*	*(5,074)*	*(16,120)*
	Amounts due to other lenders	(176)				35			(141)
J	**Debt instruments**	**(245,736)**						**(775)**	**(246,511)**
K	**Non-current trade and other payables**								
L	**Non-current financial indebtedness (I + J + K)**	**(528,503)**	**0**	**0**	**0**	**38,472**	**(41)**	**(6,297)**	**(496,369)**
M	**Total financial indebtedness (H + L)**	**(368,228)**	**(8,417)**	**58,018**	**(63,620)**	**0**	**(594)**	**(6,323)**	**(389,164)**

Medium and long-term bank debt amounts to €/000 275,612 (of which €/000 231,261 non-current and €/000 44,351 current) and consists of the following loans:

- a €/000 5,714 medium-term loan from the European Investment Bank to finance Research & Development investments planned for the 2016-2018 period. The loan will mature in December 2023 and has a repayment schedule of 7 fixed-rate annual instalments. Contract terms require covenants (described below);

- a €/000 46,619 (nominal value €/000 46,666) 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 25,000 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 €/000 114,336 (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 20,172 medium-term loan (nominal value of €/000 20,250) granted by Banca Popolare Emilia Romagna. The loan will fall due on 31 December 2027 and has a repayment schedule of six-monthly instalments;
- a €/000 13,289 loan (nominal value of €/000 13,333) granted by Banco BPM with a repayment schedule of six-monthly instalments and last payment 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);
- a €/000 23,333 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 2,739 medium-term loan (nominal value of €/000 2,750) granted by Banca Popolare di Sondrio, maturing on 1 June 2026 and with a quarterly repayment schedule;
- a €/000 5,492 medium-term loan (nominal value of €/000 5,500) granted by Cassa di Risparmio di Bolzano, maturing on 30 June 2026 and with a quarterly repayment schedule;
- a €/000 3,938 medium-term loan (nominal value of €/000 3,942) granted by Banca Carige, maturing on 31 December 2026 and with a quarterly repayment schedule;
- a €/000 14,980 (with a nominal value of €/000 15,000) medium-term loan granted by Oldenburgische Landensbank Aktiengesellschaft maturing on 30 September 2027.

The Parent Company also had the following revolving credit lines and loans unused at 30 September 2023:

- a €/000 200,000 syndicated revolving loan facility maturing on 5 January 2024;
- a €/000 20,000 revolving loan facility granted by Banca Intesa San Paolo maturing on 31 January 2024;
- a €/000 10,000 revolving loan facility granted by Banca del Mezzogiorno maturing on 1 July 2026;

- a €/000 12,500 revolving loan facility granted by Banca Popolare dell'Emilia Romagna maturing on 2 August 2026;
- a €/000 60,000 loan granted by the European Investment Bank with maturity 9 years from disbursement.

All the above financial liabilities are unsecured.

The item "Debt instruments" amounted to €/000 246,511 (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 positive outlook and a Ba3 rating with a stable outlook respectively. 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.
On 5 October 2023, the Company repaid in advance the entire amount of the High Yield bond issued on 30 April 2018 on the terms specified in the indenture and issued a debenture loan of the same amount maturing on 5 October 2030 and a six-monthly coupon with a fixed annual nominal rate of 6.50%.

Financial advances received from factoring companies and banks, on the sale of trade receivables with recourse, totalled €/000 15,496.

Medium-/long-term payables to other lenders equal to €/000 212 of which €/000 141 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 financial 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 26,521

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 30 September 2023			As of 31 December 2022			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
In thousands of Euros									
Operating leases	6,814	16,120	22,934	10,002	14,427	24,429	(3,188)	1,693	(1,495)
Finance leases	1,251	2,336	3,587	1,190	3,286	4,476	61	(950)	(889)
Total	**8,065**	**18,456**	**26,521**	**11,192**	**17,713**	**28,905**	**(3,127)**	**743**	**(2,384)**

Operating lease liabilities include payables to the parent companies Immsi and Omniaholding for €/000 1,383 (€/000 692 non-current portion).

Payables for finance leases amounted to €/000 3,587 (nominal value of €/000 3,590) and break down as follows:

- a Sale&Lease back agreement for €/000 3,545 (nominal value of €/000 3,548) granted by Albaleasing on a production plant of the Parent Company. The loan matures in August 2026 and envisages quarterly repayments (non-current portion equal to €/000 2,336);
- a finance lease for €/000 42 granted by VFS Servizi Finanziari to the company Aprilia Racing for the use of vehicles (all included in the 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 rates 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:

- **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 30 September 2023, the Group had undertaken the following futures operations (recognised based on the settlement date), relative 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
			In thousands	*In thousands*	
Piaggio & C.	Purchase	CNY	43,000	5,436	21/10/2023
Piaggio & C.	Purchase	JPY	340,000	2,205	31/10/2023
Piaggio & C.	Purchase	SEK	15,000	1,273	02/11/2023
Piaggio & C.	Purchase	USD	38,100	35,031	11/11/2023
Piaggio & C.	Sale	CAD	950	658	04/11/2023
Piaggio & C.	Sale	CNY	112,000	14,437	01/11/2023
Piaggio & C.	Sale	JPY	270,000	1,737	18/11/2023
Piaggio & C.	Sale	USD	65,876	60,273	24/11/2023
Piaggio & C.	Sale	VND	634,600,000	23,692	22/04/2024
Piaggio Vehicles Private Limited	Purchase	EUR	2,900	257,530	27/10/2023
Piaggio Vehicles Private Limited	Sale	USD	3,150	260,946	06/11/2023
PT Piaggio Indonesia	Purchase	USD	14,253	218,714,957	29/10/2023
Piaggio Vespa BV	Sale	VND	364,651,159	13,921	20/12/2023

- 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;

- **economic exchange rate 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 30 September 2023, the Group had undertaken the following hedging transactions on the exchange rate risk:

Company	Operation	Currency	Amount in currency	Value in local currency (forward exchange rate)	Average maturity
			In thousands	*In thousands*	
Piaggio & C.	Sale	USD	98,500	93,366	28/04/2024
Piaggio & C.	Sale	GBP	16,400	18,852	26/05/2024
Piaggio & C.	Purchase	INR	4,151,855	43,573	15/03/2025
Piaggio & C.	Purchase	USD	13,000	11,687	30/10/2023
Piaggio & C.	Purchase	CNY	1,083,000	144,842	20/06/2024

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 30 September 2023, the total fair value of hedging instruments for the economic exchange risk recognised on a hedge accounting basis was negative by €/000 1,556.

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 30 September 2023, the following hedging derivatives were taken out:

Cash flow hedging

- An Interest Rate Swap to hedge the variable-rate loan for a nominal amount of €/000 13,333 from Banco BPM. The purpose of the 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 the allocation of gains/losses arising from the fair value measurement to a specific Shareholders' equity reserve; as of 30 September 2023, the fair value of the instrument was positive for €/000 552.

EMARKET SDIR CERTIFIED

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 30 September 2023, the total fair value of hedging instruments for commodity price risk recognised on a hedge accounting basis was negative by €/000 492.

	FAIR VALUE
In thousands of Euros	
Piaggio & C. S.p.A.	
Interest Rate Swap	552
Commodity hedges	(492)

EMARKET SDIR CERTIFIED

G) INFORMATION ON SHAREHOLDERS' EQUITY

38. Share capital and reserves €/000 417,928

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.

The structure of Piaggio & C's share capital, equal to €207,613,944.37, fully subscribed and paid up, is indicated in the next table:

Structure of share capital as of 30 September 2023

	No. of shares	% compared to the share capital	Market listing	Rights and obligations
Ordinary shares	354,632,049	100%	MTA	Right to vote in the Ordinary and Extraordinary Shareholders' Meetings of the Company

The shares of the Company are without nominal value, are indivisible, registered and issued on a dematerialisation basis, in the centralised management system of Monte Titoli S.p.A..

At the date of these financial statements, no other financial instruments with the right to subscribe to new issue shares had been issued, nor were there share-based incentive plans in place involving increases, also without a consideration, in share capital.

Treasury shares €/000 (1,280)

On 18 April 2023, the Shareholders' Meeting of Piaggio & C. S.p.A. resolved to cancel 3,521,595 treasury shares held in the Company's portfolio, while keeping the current share capital unchanged (equal to €207,613,944.37). The cancellation of the aforementioned treasury shares in the portfolio required an amendment to Article 5.1 of the Articles of Association to incorporate the new number of shares of 354,632,049.
During the period, 376,161 treasury shares were acquired. Therefore, as of 30 September 2023, Piaggio & C. held 376,161 treasury shares, equal to 0.1061% of the shares issued.

Shares in circulation and treasury shares

no. of shares	**2023**	**2022**
Situation as of 1 January		
Number of shares	358,153,644	358,153,644
Of which treasury portfolio shares	3,521,595	1,045,818
Of which shares in circulation	354,632,049	357,107,826
Movements for the period		
Cancellation of treasury shares	(3,521,595)	
Purchase of treasury shares	376,161	2,475,777
Situation as of 30 September 2023 and 31 December 2022		
Shares issued	354,632,049	358,153,644
Of which treasury portfolio shares	376,161	3,521,595
Shares in circulation	354,255,888	354,632,049

Finally, it should be noted that a further 50,000 treasury shares were purchased in October 2023. Therefore, at the date of approval of these Condensed Interim Financial Statements as of 30 September 2023, Piaggio & C. held 426,161 treasury shares, equivalent to 0.1202% of the shares issued.

<u>Share premium reserve</u> <u>€/000 7,171</u>

The share premium reserve as of 30 September 2023 was unchanged compared to 31 December 2022.

<u>Legal reserve</u> <u>€/000 32,707</u>

The legal reserve as of 30 September 2023 had increased by €/000 3,753 as a result of the allocation of earnings for the last period.

<u>Reserve for measurement of Financial instruments</u> <u>€/000 (1,180)</u>

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.

<u>Dividends</u>

The Ordinary Shareholders' Meeting of Piaggio & C. S.p.A. held on 18 April 2023 resolved to distribute a final dividend of 10 eurocents, before tax, for each ordinary share entitled (ex-dividend date no. 20 on 24 April 2023, record date 25 April 2023 and payment date 26 April 2023), in addition to the interim dividend of 8.5 eurocents paid on 21 September 2022 (ex-dividend date 19

September 2022), for a total dividend for the 2022 financial year of 18.5 eurocents. The total dividend from the remaining 2022 financial year profit after allocations to reserves amounted to a total of €65,661,291.29.

At its meeting on 27 July 2023, the Board of Directors also resolved to distribute an ordinary interim dividend for the 2023 financial year of 12.5 eurocents, before tax, for each ordinary share entitled (8.5 eurocents had been resolved for the ordinary interim dividend for the 2022 financial year). A total of €44,294,486.00 was paid for this dividend on 20 September 2023 (ex-dividend date no. 21 18 September 2023 and record date 19 September 2023).

Earnings reserve €/000 197,905

Share capital and reserves attributable to non-controlling interest €/000 (177)

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

39. Other comprehensive income €/000 (4,555)

The figure is broken down as follows:

In thousands of Euros	*Reserve for measurement of financial instruments*	*Group translation reserve*	*Earnings reserve*	*Group total*	*Share capital and reserves attributable to non-controlling interests*	*Total other comprehensive income*
As of 30 September 2023						
Items that will not be reclassified in the income statement						
Remeasurements of defined benefit plans			624	624		624
Total	0	0	624	624	0	624
Items that may be reclassified in the income statement						
Total translation gains (losses)		(918)		(918)	(11)	(929)
Share of Other Comprehensive Income of associates valued with the equity method		(525)		(525)		(525)
Total profits (losses) on cash flow hedges	(3,725)			(3,725)		(3,725)
Total	(3,725)	(1,443)	0	(5,168)	(11)	(5,179)
Other comprehensive income	**(3,725)**	**(1,443)**	**624**	**(4,544)**	**(11)**	**(4,555)**
As of 30 September 2022						
Items that will not be reclassified in the income statement						
Remeasurements of defined benefit plans			4,321	4,321		4,321
Total			4,321	4,321	0	4,321
Items that may be reclassified in the income statement						
Total translation gains (losses)		(1,310)		(1,310)	(29)	(1,339)
Share of Other Comprehensive Income of associates valued with the equity method		455		455		455
Total profits (losses) on cash flow hedges	(4,966)			(4,966)		(4,966)
Total	(4,966)	(855)	0	(5,821)	(29)	(5,850)
Other comprehensive income	**(4,966)**	**(855)**	**4,321**	**(1,500)**	**(29)**	**(1,529)**

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

	As of 30 September 2023			**As of 30 September 2022**		
In thousands of Euros	*Gross value*	*Tax (expense) / benefit*	*Net value*	*Gross value*	*Tax (expense) / benefit*	*Net value*
Remeasurements of defined benefit plans	621	3	624	5,686	(1,365)	4,321
Total translation gains (losses)	(929)		(929)	(1,339)		(1,339)
Share of Other Comprehensive Income of associates valued with the equity method	(525)		(525)	455		455
Total profits (losses) on cash flow hedges	(4,879)	1,154	(3,725)	(6,534)	1,568	(4,966)
Other comprehensive income	**(5,712)**	**1,157**	**(4,555)**	**(1,732)**	**203**	**(1,529)**

H) OTHER INFORMATION

40. Share-based incentive plans

As of 30 September 2023, there were no incentive plans based on financial instruments.

41. Information on related parties

Revenues, costs, payables and receivables as of 30 September 2023 involving parent, subsidiary and associate companies, 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 transactions with related parties, including information required by Consob in its communication of 28 July 2006 no. DEM/6064293, is reported in the notes of 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 30 September 2010, is published on the institutional site of the Issuer 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 30 September 2023	As of 31 December 2022
Immsi S.p.A.	Mantova - Italy	Direct parent company	50.5680	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 2022, for a further three years, the Parent Company[11] 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.

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[11] 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.

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.

Transactions among Piaggio Group companies

The main relations among 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
- Piaggio Asia Pacific
- Piaggio Group Japan
- PT Piaggio Indonesia

- sells components to:

- Piaggio Vehicles Private Limited
- Piaggio Vietnam
- Aprilia Racing

- It provides promotional material to:

- Piaggio France
- PT 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
- PT Piaggio Indonesia

- 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
- Aprilia Racing
- Piaggio Concept Store Mantova

- 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:

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

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, Piaggio Vietnam, Foshan Piaggio Vehicles Technology R&D, PT Piaggio Indonesia, Piaggio Group Japan and Piaggio Asia Pacific

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

PT 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

- distributes vehicles, spare parts and accessories purchased from Piaggio & C. S.p.A., Piaggio Vietnam on markets in Asia where the Group is not present with its own companies.

Foshan Piaggio Vehicles Technology R&D supplies:

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

Piaggio Advanced Design Center supplies Piaggio & C. S.p.A. with:

- a vehicle and component research/design/development service.

Piaggio Fast Forward supplies Piaggio & C. S.p.A. with:

- a research/design/development service;
- some components.

Aprilia Racing supplies Piaggio & C. S.p.A. with:

- a service for the management and organisation of the racing team and the promotion of commercial brands (owned by Piaggio & C. S.p.A.).

Piaggio España 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 Group Japan

The table below summarises relations described above and financial relations with parent companies, subsidiaries and affiliated companies as of 30 September 2023 and relations during the year, as well as their overall impact on financial statement items.

As of 30 September 2023	Fondazione Piaggio	IMMSI	IMMSI Audit	Omniaholding	Pontech - Pontedera & Tecnologia	Zongshen Piaggio Foshan	**Total**	**% of accounting item**
In thousands of Euros								
Income statement								
Net revenues		1				6	**7**	**0.00%**
Costs for materials						19,409	**19,409**	**1.89%**
Costs for services and use of third-party assets	5	317	600	53		169	**1,144**	**0.51%**
Other operating income		37	23			229	**289**	**0.25%**
Other operating costs	2	15		1			**18**	**0.08%**
Results of associates - Income/(losses)					5	(161)	**(156)**	**100.00%**
Financial costs		31		10			**41**	**0.13%**
Financial statements								
Current trade receivables			5			383	**388**	**0.41%**
Other current receivables		25,765	5			588	**26,358**	**46.70%**
Financial liabilities for rights of use > 12 months		445		247			**692**	**3.75%**
Financial liabilities for rights of use < 12 months		496		195			**691**	**8.57%**
Current trade payables	10	59		10		10,325	**10,404**	**1.56%**
Other current payables	10	27,115	60				**27,185**	**25.66%**

42. 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 nine months of 2023 and in 2022.

43. Transactions arising from atypical and/or unusual transactions

During 2022 and the first nine months of 2023, 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.

44. Subsequent events

To date, no events have occurred after 30 September 2023 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 30 September 2023.

45. Authorisation for publication

This document was published on 10 November 2023 with the authorisation of the Chief Executive Officer.

* * *

Mantova, 30 October 2023

for the Board of Directors
Chief Executive Officer
Michele Colaninno