PIAGGIO GROUP

HALF-YEAR FINANCIAL REPORT AS OF 30 JUNE 2024

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REPORT ON OPERATIONS

INTRODUCTION

This Half-Year Financial Report as of 30 June 2024 was prepared in compliance with article 154-ter of Italian Legislative Decree no. 58/1998 and includes the Interim Directors' Report, Condensed Consolidated Interim Financial Statements and Certification required by article 154-bis of Italian Legislative Decree 58/98.
The Condensed Consolidated Interim Financial Statements were prepared in compliance with international accounting standards (IAS/IFRS) that are applicable pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 and in particular IAS 34 - Interim Financial Reporting, as well as measures issued implementing article 9 of Italian Legislative Decree 38/2005. The structure and content of the reclassified consolidated financial statements contained in the Interim Directors' Report and mandatory statements included in this Report are in line with those prepared for the annual Financial Statements.
The notes have been prepared in compliance with provisions in IAS 34 - Interim Financial Reporting, also considering the provisions of Consob in its communication no. 6064293 of 28 July 2006. The information in this Report is not therefore similar to the information of complete financial statements prepared in accordance with IAS 1.

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.

KEY OPERATING AND FINANCIAL DATA

	1st half		2023 Financial Statements[1]
	2024	2023[1]	
IN MILLIONS OF EUROS			
Operating highlights			
Net revenues	990.3	1,167.2	1,985.1
Gross industrial margin[2]	295.0	327.8	565.2
Operating income	104.1	117.6	180.7
Profit before tax	77.8	98.2	135.3
Net Profit (loss) for the period	52.1	64.8	91.1
.Non-controlling interests			
.Group	*52.1*	*64.8*	*91.1*
Financial highlights			
Net capital employed (NCE)	851.2	822.8	850.0
Consolidated net debt[2]	(408.0)	(384.4)	(434.0)
Shareholders' equity	443.2	438.4	416.0
Financial ratios			
Gross margin as a percentage of net revenues (%)	29.8%	28.1%	28.5%
Net profit as a percentage of net revenues (%)	5.3%	5.6%	4.6%
R.O.S. (Operating income/net revenues)	10.5%	10.1%	9.1%
R.O.E. (Net profit/shareholders' equity)	11.8%	14.8%	21.9%
R.O.I. (Operating income/NCE)	12.2%	14.3%	21.3%
EBITDA[2]	173.8	191.2	325.0
EBITDA/net revenues (%)	17.5%	16.4%	16.4%
Other information			
Sales volumes (unit/000)	270.1	324.6	559.5
Investments in property, plant and equipment and intangible assets	77.3	65.8	162.9
Employees at the end of the period (number)	6,206	6,441	5,925

1 Following the contractual changes made since 2024 to sell out promotions for the Indian market, the costs of these promotions, previously allocated under the costs for services, have now been allocated as a deduction of revenues. Despite the negligible value, €4.9 million was reclassified in the first half of 2023 from costs for services to lower revenue (€9.5 million for the 12 months of 2023), in order to give readers a better comparability with 2024 figures.

2 For a definition of this parameter, see the section "Alternative non-GAAP performance measures".

Results by operating segment

		EMEA and AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
Sales volumes (units/000)	1st half of 2024	141.8	72.2	56.1	**270.1**
	1st half of 2023	164.1	71.1	89.4	**324.6**
	Change	(22.3)	1.1	(33.3)	**(54.4)**
	Change %	-13.6%	1.6%	-37.3%	**-16.8%**
Net revenues[3] (million Euros)	1st half of 2024	679.4	169.6	141.3	**990.3**
	1st half of 2023	772.7	163.2	231.2	**1,167.2**
	Change	(93.3)	6.4	(89.9)	**(176.9)**
	Change %	-12.1%	3.9%	-38.9%	**-15.2%**
Average number of staff (no.)	1st half of 2024	3,684.5	1,415.0	1,164.3	**6,263.8**
	1st half of 2023	3,824.3	1,364.3	1,228.7	**6,417.3**
	Change	(139.8)	50.7	(64.4)	**(153.5)**
	Change %	-3.7%	3.7%	-5.2%	**-2.4%**
Investments in Property, plant and equipment and intangible assets (million Euros)	1st half of 2024	60.8	11.2	5.4	**77.3**
	1st half of 2023	43.5	15.6	6.8	**65.8**
	Change	17.3	(4.4)	(1.5)	**11.5**
	Change %	39.8%	-28.0%	-21.6%	**17.4%**

3 Following the contractual changes made since 2024 to sell out promotions for the Indian market, the costs of these promotions, previously allocated under the costs for services, have now been allocated as a deduction of revenues. Despite the negligible value, €4.9 million was reclassified in the first half of 2023 from costs for services to lower revenue (€9.5 million for the 12 months of 2023), in order to give readers a better comparability with 2024 figures.

GROUP PROFILE

The Piaggio Group, based in Pontedera (Pisa, Italy) is one of the world's largest manufacturer of two-wheeler motor vehicles and an international leader in the commercial vehicles sector. Today the Piaggio Group has three, distinct core segments:

- two-wheelers - with scooters and motorcycles from 50cc to 1,100cc, selling 436,300 vehicles in 2023. Group Brands include: Piaggio (with the scooter models Liberty, Beverly, Medley, MP3), Vespa, Aprilia (which races in the MotoGP World Championship with Aprilia Racing) and Moto Guzzi;
- Light commercial vehicles - with three-wheelers (Ape) and four-wheelers (Porter NP6), selling 123,300 vehicles in 2023;
- the robotic division with Piaggio Fast Forward, the Group's research centre dedicated to 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.

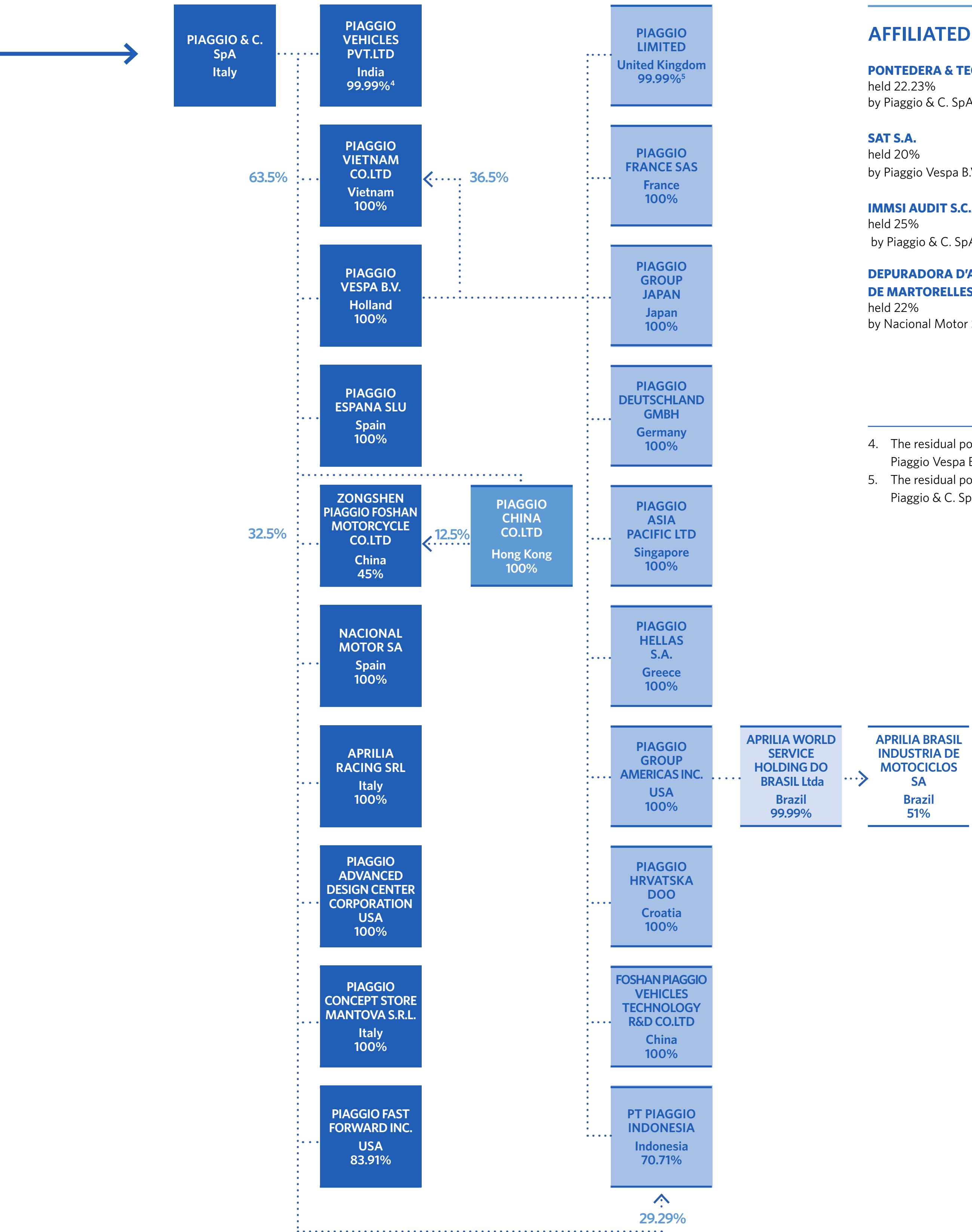
We are committed to broadening the horizons of our brands and products by constantly promoting technological innovation, uniqueness of design, attention to quality and safety, respecting communities and the environment.

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 STRUCTURE AT 30 JUNE 2024



AFFILIATED COMPANIES

PONTEDERA & TECNOLOGIA S.C.A.R.L.
held 22.23%
by Piaggio & C. SpA

SAT S.A.
held 20%
by Piaggio Vespa B.V.

IMMSI AUDIT S.C.A.R.L.
held 25%
by Piaggio & C. SpA

DEPURADORA D'AIGUES DE MARTORELLES
held 22%
by Nacional Motor S.A.

4. The residual portion is held by Piaggio Vespa B.V.
5. The residual portion is held by Piaggio & C. SpA


PORTOFINO

COMPANY BOARDS

BOARD OF DIRECTORS	
Executive Chairman	Matteo Colaninno
Chief Executive Officer	Michele Colaninno(1)
Directors	Alessandro Lai(2),(3),(4)
	Graziano Gianmichele Visentin (3),(4)
	Carlo Zanetti
	Andrea Formica(5)
	Ugo Ottaviano Zanello
	Micaela Vescia(5)
	Paola Mignani(4)
	Patrizia Albano
	Rita Ciccone(3),(5)
	Raffaella Annamaria Pagani

MANAGEMENT CONTROL COMMITTEE	
Chairman	Raffaella Annamaria Pagani
	Alessandro Lai
	Paola Mignani

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 and Remuneration Committee
	Internal Control Risk and Sustainability Committee
	Related-Party Transactions Committee

(1) Director responsible for the internal control system and risk management
(2) Lead Independent Director
(3) Member of the Appointment Proposal and Remuneration Committee
(4) Member of the Internal Control Risk and Sustainability Committee
(5) Member of the Related-Party Transactions Committee

All information on the powers reserved for the Board of Directors, the authority granted to the Executive Chairman and to 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**.

On 17 April 2024, the Shareholders' Meeting of Piaggio & C. S.p.A. approved:

- proposals to amend the articles of association relating to the adoption of the single-tier administration and control model, which has a Board of Directors, that oversees management, and a Management Control Committee, within the Board, that has control functions;
- further amendments to the articles of association to align with the most recent practices and guidance (see the relative report, **https://www.piaggiogroup.com/en/governance/general meeting**).

The adoption of the one-tier system is functional to an even more profitable and timely synergy between the board of directors and control board, to the benefit of the Company and all its stakeholders, and confirms, once again, Piaggio's constant focus on aligning with best international practices on governance, as this model is the most widely used among issuers listed on European and international stock markets.

SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2024

15 January 2024 – Jacopo Cerutti riding an Aprilia Tuareg, triumphed in his debut appearance in the 2024 Africa Eco Race. In the lead from the start to the very end of the 6,000-kilometre race, the Italian offroad bike proved to be a winner.

19 January 2024 – Vespa expressed all its lifestyle vocation with the new Fashion & Apparel project, conceived to create a Vespa collective that combines art, fashion, music and all other cultural experiences for a mythical journey around the world.
The official debut took place in Hong Kong, with the presentation of a Varsity Jacket inspired by the new Vespa 946 Dragon. The Vespa 946 Dragon has been produced as a limited edition, with just 1,888 units, to celebrate the year of the dragon in the lunar calendar.

12 March 2024 - Piaggio Fast Forward (PFF) presented kilo™, the revolutionary robot featuring smart following technology. Making its world debut at Modex, America's leading trade fair for the supply chain sector, kilo™ is a hands-free, robotic platform with a load capacity up to 130 kg. In the redevelopment and modernisation project at the Mandello del Lario Production Site, the Piaggio Group has planned for the kilo™ robot to work on the production lines; kilo™ will then be used at the Group's other production hubs in Italy, India, Vietnam and Indonesia.

27 March 2024 – The President of the Italian Republic, Sergio Mattarella, received the Executive Chairman of the Piaggio Group, Matteo Colaninno, and the Chief Executive Officer, Michele Colaninno, at the Quirinale Palace, on the occasion of the Company's 140th anniversary.

15 April 2024 - The Ministry for Companies and Made in Italy authorised a Development Contract proposed by the Piaggio Group for an investment plan of approximately 112 million euro, to expand production at the Pontedera site in the province of Pisa. The industrial development programme, called "E-Mobility", will introduce and develop a new range of electric engines for new-generation, zero-emission vehicles, and will also launch five, industrial research and experimental testing projects for the development of components and systems for electric drive vehicles, as well as the development of digital solutions for safety and vehicle monitoring, advanced driving assistance systems and a complete cybersecurity system.

15 April 2024 - Maverick Viñales riding an Aprilia bike won the Grand Prix of the Americas, giving the Noale-based constructor its 298th Grand Prix motorcycle racing victory.

17 April 2024 - The Shareholders' Meeting of Piaggio & C. S.p.A., approved the adoption of the new text of the Company's Articles of Association and therefore the adoption of the "single-tier" administration and control model. The Meeting also appointed the Board of Directors, approving the proposal put by the Shareholder Immsi S.p.A. of having 12 board members, of whom the majority, 9, declared they meet the independence requirements of applicable law. The term of office of the Board of Directors is for three financial years, up to the Shareholders' Meeting convened to approve the Financial Statements as of 31 December 2026. The following directors were appointed: Matteo Colaninno, Michele Colaninno, Alessandro Lai (independent director, meeting the requirements in Article 25 of the Articles of Association for the appointment of members of the Management Control Committee, also a chartered auditor), Graziano Gianmichele Visentin (independent director, meeting the requirements in Article 25 of the Articles of Association for the appointment of members of the Management Control Committee, also a chartered auditor), Carlo Zanetti, Andrea Formica (independent director), Ugo Ottaviano Zanello (independent director, meeting the requirements in Article 25 of the Articles of Association for the appointment of members of the Management Control Committee, also a chartered auditor), Micaela Vescia (independent director, meeting the requirements in Article 25 of the Articles of Association for the appointment of members of the Management Control Committee), Paola Mignani (independent director, meeting the requirements in Article 25 of the Articles of Association for the appointment of members of the Management Control Committee, also a chartered auditor), Patrizia Albano (independent director, meeting the requirements in Article 25 of the Articles of Association for the appointment of members of the Management Control Committee), Rita Ciccone (independent director), all from the majority list submitted by IMMSI S.p.A. (which obtained 64.508% of the votes), as well as Raffaella Annamaria Pagani (independent director, meeting the requirements in Article 25 of the Articles of Association for the appointment of members of the Management Control Committee, also a chartered auditor), from the minority list submitted by a group of investors (which obtained 27.690% of the votes) not connected, even indirectly, with shareholders that have a majority stake in the Company.

18 – 21 April 2024 - During celebrations to mark Piaggio's 140 years, the town of Pontedera, the birthplace of the Vespa, which has been manufactured there, ever since 1946, hosted the annual international Vespa Club rally for the first time. It was a record edition: it was estimated that over thirty thousand Vespa fans attended, for a total of twenty-thousand Vespas and 55 national Vespa Clubs officially represented.

4 June 2024 - The Piaggio Group communicated that the Court of Cassation had declared the appeal brought by Peugeot Motocycles SAS and Peugeot Motocycles Italia against the ruling of 16 January 2023 of the Milan Court of Appeal as inadmissible; this appeal, in line with the Court of Milan (in the first instance) had ascertained the breach of the Italian part of a European patent of Piaggio & C. S.p.A. by Peugeot Motocycles SAS and Peugeot Motocycles Italia, with reference to the vehicle Peugeot Metropolis. Following this ruling, the previous judgement of the Court of Appeal of Milan became final, and therefore the breach of the Italian part of the European patent of Piaggio & C. S.p.A. was ascertained, prohibiting Peugeot Motocycles Italia from importing, exporting, marketing, advertising, including through the Internet the Peugeot Metropolis, in Italy, and Piaggio & C. S.p.A.'s right to claim damages was also established.

8 June 2024 – The 2024 edition of Aprilia All Stars, held at the Misano circuit, was a huge success, with even more participants than previous editions. Some twenty-thousand people came from all over Italy and Europe to celebrate Aprilia, its motorbikes, riders and history.

11 June 2024 – Michele Colaninno, Chief Executive Officer of the Piaggio Group, was elected for a second term as President of ACEM (Association des Constructeurs Européens de Motocycles), the European Association of the Motorcycling Industry based in Brussels, which brings together all international motorcycle and scooter groups.

DECARBONISATION AND SUSTAINABILITY

The Group is adopting measures to ensure it reaches the targets of the Decarbonisation Plan presented at the end of 2023.
In this regard, we note the following:

- studies have continued for the development of the electric version of the Porter NP6, planned to go on sale in 2025;
- Euro 5+ engines are being fitted on the Vespa Primavera and Moto Guzzi Stelvio, well ahead of the legal requirement;
- work has begun on the renovation of the Moto Guzzi factory at Mandello del Lario, using the most up-to-date sustainable construction techniques;
- on 15 April 2024, the Ministry for Companies and Made in Italy authorised a Development Contract proposed by the Piaggio Group for an investment plan of approximately 112 million euro, to expand production at the Pontedera site in the province of Pisa. The industrial development programme, called "E-Mobility", will introduce and develop a new range of electric engines for new-generation, zero-emission vehicles, and will also launch five, industrial research and experimental testing projects for the development of components and systems for electric drive vehicles, as well as the development of digital solutions for safety and vehicle monitoring, advanced driving assistance systems and a complete cybersecurity system.

FINANCIAL POSITION AND PERFORMANCE OF THE GROUP

CONSOLIDATED INCOME STATEMENT

Consolidated income statement (reclassified)

	1ST HALF OF 2024		1ST HALF OF 2023[6]		CHANGE	
	IN MILLIONS OF EUROS	ACCOUNTING FOR A %	IN MILLIONS OF EUROS	ACCOUNTING FOR A %	IN MILLIONS OF EUROS	%
Net revenues	990.3	100.0%	1,167.2	100.0%	(176.9)	-15.2%
Cost to sell[7]	695.3	70.2%	839.4	71.9%	(144.1)	-17.2%
Gross industrial margin[7]	**295.0**	**29.8%**	**327.8**	**28.1%**	**(32.8)**	**-10.0%**
Operating expenses	190.9	19.3%	210.2	18.0%	(19.3)	-9.2%
Operating income	**104.1**	**10.5%**	**117.6**	**10.1%**	**(13.5)**	**-11.5%**
Result of financial items	(26.3)	-2.7%	(19.4)	-1.7%	(6.9)	35.5%
Profit before tax	**77.8**	**7.9%**	**98.2**	**8.4%**	**(20.4)**	**-20.8%**
Income taxes	25.7	2.6%	33.4	2.9%	(7.7)	-23.1%
Net Profit (loss) for the period	**52.1**	**5.3%**	**64.8**	**5.6%**	**(12.7)**	**-19.6%**
Operating income	**104.1**	**10.5%**	**117.6**	**10.1%**	**(13.5)**	**-11.5%**
Amortisation/depreciation and impairment costs	69.7	7.0%	73.6	6.3%	(3.9)	-5.3%
EBITDA[7]	**173.8**	**17.5%**	**191.2**	**16.4%**	**(17.4)**	**-9.1%**

Net revenues

	1ST HALF 2024	1ST HALF 2023	CHANGE
IN MILLIONS OF EUROS			
EMEA and Americas	679.4	772.7	(93.3)
India	169.6	163.2	6.4
Asia Pacific 2W	141.3	231.2	(89.9)
TOTAL NET REVENUES	**990.3**	**1,167.2**	**(176.9)**
Two-wheelers	788.0	954.7	(166.7)
Commercial Vehicles	202.3	212.5	(10.2)
TOTAL NET REVENUES	**990.3**	**1,167.2**	**(176.9)**

In terms of consolidated turnover, the Group ended the first half of 2024 with net revenues down compared to the same period in 2023 (-15.2%). It should be noted that in the first half of 2023, Piaggio recorded its best results since being listed.
The decrease concerned the EMEA and Americas market (-12.1%) and Asia Pacific (-38.9%; -36.7% with constant exchange rates), while India recorded growth (+3.9%; +5.2% with constant exchange rates).
With regard to product type, the decrease was greater for Two-Wheeler vehicles (-17.5%) than for Commercial Vehicles (-4.8%). As a result, the percentage of Commercial Vehicles accounting for overall net revenues went up from 18.2% in the first half of 2023 to the current figure of 20.4%; vice versa, the percentage of Two-Wheeler vehicles fell from 81.8% in the first six months of 2023 to the current figure of 79.6%.

The **gross industrial margin** of the Group decreased in absolute terms compared to the first half of the previous year (€-32.8 million) but increased in relation to net revenues (29.8% as of 30 June 2024 and 28.1% as of 30 June 2023).
Amortisation/depreciation included in the gross industrial margin was equal to €20.1 million (€20.1 million in the first half of 2023).

6 Following the contractual changes made since 2024 to sell out promotions for the Indian market, the costs of these promotions, previously allocated under the costs for services, have now been allocated as a deduction of revenues. Despite the negligible value, €4.9 million was reclassified in the first half of 2023 from costs for services to lower revenue, in order to give readers a better comparability with 2024 figures.
7 For a definition of this parameter, see the section "Alternative non-GAAP performance measures".

Operating expenses incurred in the period went down compared to the same period of the previous year (-9.2%), amounting to €190.9 million. This change is strictly related to the decrease in net revenues and vehicles sold.

The change in the aforementioned income statement resulted in a drop in consolidated **EBITDA** which was equal to €173.8 million (€191.2 million in the first half of 2023). In relation to net revenues, EBITDA grew and was equal to 17.5% (16.4% in the first half of 2023).

Operating income (**EBIT**), which amounted to €104.1 million, was also down on the figure for the first six months of 2023; in relation to net revenues, EBIT was equal to 10.5% (10.1% in the first half of 2023).

The result of **financing activities** recorded Net Expenses amounting to €26.3 million (€19.4 million as of 30 June 2023). This poorer performance is mainly due to higher interest rates on debt, chiefly related to the issue of the new debenture loan in October 2023, intensified by the negative impact of currency management.

Income taxes for the period are estimated to be €25.7 million, equivalent to 33% of profit before tax.

Net profit stood at €52.1 million (5.3% of net revenues), down on the figure for the same period of the previous year €64.8 million (5.6% of net revenues).

Operating data

VEHICLES SOLD

	1ST HALF 2024	1ST HALF 2023	CHANGE
IN THOUSANDS OF UNITS			
EMEA and Americas	141.8	164.1	(22.3)
India	72.2	71.1	1.1
Asia Pacific 2W	56.1	89.4	(33.3)
TOTAL VEHICLES	**270.1**	**324.6**	**(54.4)**
Two-wheelers	211.2	267.4	(56.2)
Commercial Vehicles	58.9	57.1	1.8
TOTAL VEHICLES	**270.1**	**324.6**	**(54.4)**

During the first half of 2024, the Piaggio Group sold 270,100 vehicles worldwide, recording a decrease of 16.8% compared to the first six months of the previous year, when 324,600 vehicles were sold. Only the Indian market posted a positive performance.
As for vehicle type, sales of Commercial Vehicles grew (+3.1%), while sales of Two-Wheeler vehicles fell (-21.0%).

STAFF

In the first half of 2024, the average number of staff fell overall (-153.5 units).

AVERAGE NUMBER OF COMPANY EMPLOYEES BY GEOGRAPHIC SEGMENT	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
EMPLOYEE/STAFF NUMBERS			
EMEA and Americas	3,684.5	3,824.3	(139.8)
of which Italy	*3,417.3*	*3,551.2*	*(133.8)*
India	1,415.0	1,364.3	50.7
Asia Pacific 2W	1,164.3	1,228.7	(64.4)
Total	**6,263.8**	**6,417.3**	**(153.5)**

The number of Group employees in all geographic segments as of 30 June 2024 was higher than 31 December 2023, except Asia Pacific 2W. There were 6,206 members of staff, up by 281 compared to 31 December 2023, but down by 235 compared to 30 June 2023.

BREAKDOWN OF COMPANY EMPLOYEES BY GEOGRAPHIC SEGMENT	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	AS OF 30 JUNE 2023
EMPLOYEE/STAFF NUMBERS			
EMEA and Americas	3,600	3,278	3,828
of which Italy	*3,341*	*3,007*	*3,554*
India	1,462	1,442	1,380
Asia Pacific 2W	1,144	1,205	1,233
Total	**6,206**	**5,925**	**6,441**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION[8]

STATEMENT OF FINANCIAL POSITION	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
IN MILLIONS OF EUROS			
Net working capital	(188.8)	(178.7)	(10.2)
Property, plant and equipment	287.3	287.5	(0.2)
Intangible assets	768.6	754.1	14.5
Rights of use	36.3	36.9	(0.6)
Financial assets	7.9	8.5	(0.6)
Provisions	(60.0)	(58.4)	(1.7)
Net capital employed	**851.2**	**850.0**	**1.2**
Net financial debt	408.0	434.0	(26.1)
Shareholders' equity	443.2	416.0	27.3
Sources of financing	**851.2**	**850.0**	**1.2**
Non-controlling interests	(0.2)	(0.2)	0.0

Net working capital as of 30 June 2024, which was negative by €188.8 million, generated cash for approximately €10.2 million in the first six months of 2024.

Property, plant and equipment amounted to €287.3 million as of 30 June 2024, with a decrease equal to approximately €0.2 million compared to 31 December 2023. The positive impact from the exchange effect of approximately €0.7 million was offset by the decrease due to depreciation whose value exceeded around €0.7 million for investments and €0.2 million for disposals.

Intangible assets totalled €768.6 million, up by approximately €14.5 million compared to 31 December 2023. This growth is mainly due to investments for the period, of which the value exceeded amortisation by approximately €13.5 million, and to the positive impact related to the exchange effect and other variations for €1.0 million.

Rights of use, equal to €36.3 million, decreased by approximately €0.6 million compared to figures as of 31 December 2023.

Financial assets which totalled €7.9 million, decreased by approximately €0.6 million compared to figures as of 31 December 2023 (€8.5 million).

Provisions totalled €60.0 million, increasing compared to 31 December 2023 (€58.4 million).

As fully described in the next section on the "Consolidated Statement of Cash Flows", **net financial debt** as of 30 June 2024 was equal to €408.0 million, compared to €434.0 million as of 31 December 2023. The decrease came to approximately €26.1 million, related to the positive trend from operations.
Net financial debt increased by approximately €23.6 million compared to 30 June 2023.

The Group's **shareholders' equity** as of 30 June 2024 amounted to €443.2 million. The growth of approximately €27.3 million compared to 31 December 2023 was offset by €28.3 million paid in dividends.

8 For a definition of the individual items in the table, see the section "Alternative non-GAAP performance measures".

CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows prepared in accordance with the models provided by international financial reporting standards (IFRS) is shown in the "Condensed Consolidated Interim Financial Statements as of 30 June 2024"; the following is a comment relating to the summary statement shown.

CHANGE IN CONSOLIDATED NET DEBT	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
IN MILLIONS OF EUROS			
Opening Consolidated Net Debt	**(434.0)**	**(368.2)**	**(65.8)**
Cash Flow from Operating Activities	118.7	137.9	(19.2)
(Increase)/Reduction in Net Working Capital	10.2	(49.7)	59.9
Net Investments	(77.3)	(65.8)	(11.5)
Other changes	(0.7)	5.7	(6.4)
Change in Shareholders' Equity	(24.9)	(44.2)	19.4
Total Change	***26.1***	***(16.2)***	***42.3***
Closing Consolidated Net Debt	**(408.0)**	**(384.4)**	**(23.5)**

During the first half of 2024 the Piaggio Group generated **financial resources** amounting to €26.1 million.

Cash flow from operating activities, defined as net profit, minus non-monetary costs and income, was equal to €118.7 million.

Net working capital generated cash for approximately €10.2 million; in detail:
- the collection of trade receivables[9] used financial flows for a total of €74.8 million;
- stock management absorbed financial flows for a total of approximately €42.1 million;
- supplier payment trends generated financial flows of approximately €102.7 million;
- the movement of other non-trade assets and liabilities had a positive impact on financial flows by approximately €24.4 million.

Investing activities used financial resources for a total of €77.3 million. Investments mainly concerned the capitalisation of development costs and know-how.

As a result of the above financial dynamics, which generated cash for €26.1 million, the **consolidated net debt** of the Piaggio Group amounted to €-408.0 million.

9 Net of customer advances.

ALTERNATIVE NON-GAAP PERFORMANCE MEASURES

To facilitate the understanding of the Group's financial position and performance, Piaggio - in accordance with Consob Communication DEM/6064293 of 28 July 2006 as amended (Consob Communication 0092543 of 3 December 2015 enacting ESMA/2015/1415 guidelines on alternative performance measures), refers to some alternative performance measures (APM) in its Report on Operations, in addition to IFRS financial measures (Non-GAAP Measures) from which the APM are derived. These measures are also tools to assist directors in identifying operating trends when making decisions concerning investments, the allocation of resources and other operating decisions. For a correct interpretation of these Alternative Performance Measures, the following information is provided:

- the Alternative Performance Measures are not envisaged by international accounting standards (IFRS), and, although they are taken from the Group's consolidated financial statements, they are not audited;
- the Alternative Performance Measures must not be considered as replacements of the measures envisaged by applicable accounting standards (IFRS);
- for their correct interpretation, these Measures must be considered together with the Group's financial information taken from the consolidated financial statements;
- as these Measures used by the Group are not taken from reference accounting standards, their definitions might not be uniform with the definitions used by other organisations; therefore, the values of these Measures calculated by the Group and presented in this document might not be comparable with those published by other groups/companies;
- these Measures used by the Group have been processed with continuity, and defined and represented uniformly for all accounting periods presented in these financial statements.

In particular the following alternative performance measures have been used:

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

In this regard, we note the following:

- **Net fixed assets** refer to:
  - *Property, plant and equipment:* which consist of property, plant, machinery and industrial equipment, net of accumulated depreciation;
  - *Intangible assets:* which consist of capitalised development costs, costs for patents and know-how, trademarks and goodwill arising from acquisitions/mergers 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.

- **Net working capital** is 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.

- **Provisions** consist of retirement funds and employee benefits, other non-current provisions and the current portion of other non-current provisions.

RESULTS BY TYPE OF PRODUCT

The Piaggio Group is comprised of and operates by geographic segments – EMEA and Americas, India and Asia Pacific 2W – to develop, manufacture and distribute two-wheeler and commercial vehicles.
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

	1ST HALF OF 2024		1ST HALF OF 2023		CHANGE %		CHANGE	
	VOLUMES SELL-IN (UNITS/000)	NET REVENUES (MILLION EUROS)	VOLUMES SELL-IN (UNITS/000)	NET REVENUES[10] (MILLION EUROS)	VOLUMES	NET REVENUES	VOLUMES	NET REVENUES
EMEA and Americas	135.1	622.1	157.4	701.2	-14.2%	-11.3%	(22.3)	(79.1)
of which EMEA	125.6	561.2	142.6	617.6	-11.9%	-9.1%	(17.0)	(56.4)
(of which Italy)	*36.5*	*160.6*	*37.4*	*156.8*	*-2.2%*	*2.5%*	*(0.8)*	*3.8*
of which America	9.5	60.9	14.8	83.6	-35.9%	-27.2%	(5.3)	(22.7)
India	20.0	24.6	20.6	22.3	-3.0%	10.4%	(0.6)	2.3
Asia Pacific 2W	56.1	141.3	89.4	231.2	-37.3%	-38.9%	(33.3)	(89.9)
TOTAL	**211.2**	**788.0**	**267.4**	**954.7**	**-21.0%**	**-17.5%**	**(56.2)**	**(166.7)**
Scooters	181.4	481.0	237.2	631.6	-23.5%	-23.8%	(55.9)	(150.6)
Combustion engine	*179.8*	*475.8*	*233.7*	*619.8*	*-23.1%*	*-23.2%*	*(54.0)*	*(144.0)*
Electric engine	*1.6*	*5.2*	*3.5*	*11.8*	*-54.2%*	*-56.1%*	*(1.9)*	*(6.6)*
Motorcycles	29.8	223.4	30.2	235.1	-1.2%	-5.3%	(0.4)	(11.8)
Other vehicles	0.0	0.0	0.0	0.0	-	-	0.0	0.0
Spare Parts and Accessories		80.9		84.1		-3.9%		(3.2)
Other		2.8		3.8		-28.1%		(1.1)
Gita		*0.0*		*0.1*		*-66.4%*		*(0.1)*
Other		*2.7*		*3.7*		*-27.2%*		*(1.0)*
TOTAL	**211.2**	**788.0**	**267.4**	**954.7**	**-21.0%**	**-17.5%**	**(56.2)**	**(166.7)**

Two-wheeler vehicles can mainly be grouped into two product segments, scooters and motorcycles, in addition to the related spare parts and accessories business, the sale of engines to third parties, involvement in main two-wheeler sports championships and technical service.
The world two-wheeler market comprises two macro areas, which clearly differ in terms of characteristics and scale of demand: economically advanced countries (Europe, United States, Japan) and emerging nations (Asia Pacific, China, India, Latin America).
In the first macro area, which is a minority segment in terms of volumes, the Piaggio Group has a historical presence, with scooters meeting the need for mobility in urban areas and motorcycles for recreational purposes.
In the second macro area, which in terms of sales, accounts for most of the world market and is the Group's target for expanding operations, two-wheeler vehicles are the primary mode of transport.

10 Following the contractual changes made since 2024 to sell out promotions for the Indian market, the costs of these promotions, previously allocated under the costs for services, have now been allocated as a deduction of revenues. Despite the negligible value, €4.9 million was reclassified in the first half of 2023 from costs for services to lower revenue (of which €1.4 million for the Two-Wheeler segment), in order to give readers a better comparability with 2024 figures.

Background

India, the most important two-wheeler market, reported an increase in the first six months of 2024, closing with sales of over 9.4 million vehicles, up by 22.5% compared to the first half of 2023.

The People's Republic of China recorded a loss in the first six months of 2024 (-12.9%), closing at just over 2.3 million vehicles sold.

As for the ASEAN 5 countries (Philippines, Indonesia, Malaysia, Thailand and Vietnam), data are currently available for:
- Indonesia: the main market in this area recorded a downturn of 1.0% in the first six months of 2024, selling just under 3.2 million vehicles.
- Vietnam: the number of vehicles registered in Vietnam decreased slightly (over 1.2 million units sold; -1.4% compared to the first half of 2023).

The other countries in the APAC area (Singapore, Hong Kong, South Korea, Japan, Taiwan, New Zealand and Australia) overall recorded a drop of approximately 2.4% compared to the first half of 2023, closing with sales of approximately 653 thousand units. Lastly, the Japanese market recorded a decrease in the first six months of the year (-8.0%), selling approximately 188 thousand units.

The North American market recorded a downturn compared to the first half of 2023 (-6.0%), selling 337,967 thousand vehicles.
Europe, which is the reference area for the Piaggio Group's operations, reported an overall increase in sales on the two-wheeler market (+0.5%) compared to the first half of 2023 (+3.0% for the motorcycle segment and -2.6% for the scooter segment).

The scooter market

In the first half of 2024, the European scooter market stood at 385,431 registered vehicles, equal to a 2.6% decrease in sales compared to the same period in 2023.

MARKET	VEHICLE REGISTRATIONS		CHANGE	CHANGE %		
	1ST HALF 2024	1ST HALF 2023[11]		OVERALL	≤ 50 CC	> 50 CC
Italy	114,187	109,725	4,462	4.1%	-9.3%	5.0%
France	52,123	57,971	(5,848)	-10.1%	-13.7%	-7.2%
Spain	61,191	63,273	(2,082)	-3.3%	-31.3%	-0.5%
Germany	35,029	40,813	(5,784)	-14.2%	-18.8%	-12.5%
Holland	16,849	19,297	(2,448)	-12.7%	-13.9%	1.4%
Greece	31,400	28,068	3,332	11.9%	-11.8%	13.8%
United Kingdom	13,753	14,222	(469)	-3.3%	-2.7%	-3.4%
Europe	385,431	395,815	(10,384)	-2.6%	-11.8%	0.2%

Vehicle registrations were higher in the over 50cc segment, with 302,851 units compared to 82,580 units in the 50cc scooter segment. Over 50cc scooters reported an increase of 0.2%, while the 50cc segment reported a downturn (-11.8%).

The Electric scooter segment reported a downturn (-21.2% compared to the same period in 2023), and with 36,758 units, accounts for 9.5% of the total scooter market (down on the figure of 11.8% in the first half of 2023).

11 The market vehicle registrations values for the first half of 2023 may differ from those published last year due to the update of the final data that some countries publish with a delay of a few months.

North America
In the first half of 2024, the United States, the main market in the area (87.7% of the reference area), recorded a decrease of 17.0%, with 11,500 units sold: the decrease was in both the 50cc segment (-10.5%) and the over 50cc segment (-20.0%).

India
The automatic scooter market increased (+25.2%) in the first half of 2024, closing with over 3.1 million units sold.
The over 90cc range is the main product segment, with more than 2.8 million units sold in the first half of 2024 (+25.6% compared to the first six months of the previous year) and accounting for 91.2% of the total automatic scooter market. The 50cc scooter segment is not operative in India.

The motorcycle market

Europe
With 504,784 units registered, the motorcycle market reported an increase in the first half of 2024 (+3.0% compared to the first half of 2023). The 50cc segment recorded a 9.2% decrease, with 20,178 units sold; sales in the 51-125cc motorcycle segment fell to 75,958 units (-4.9%), while the 126-750cc segment reported sales of 187,074 units (+11.2%). The over 750cc segment recorded a growth of 0.7%, with 221,574 units sold.

MARKET	VEHICLE REGISTRATIONS			CHANGE		CHANGE %
	1ST HALF 2024	1ST HALF 2023[12]		OVERALL	≤ 50 CC	> 50 CC
France	91,165	93,353	(2,188)	-2.3%	-26.2%	0.3%
Germany	97,622	98,811	(1,189)	-1.2%		-1.2%
Italy	99,117	92,268	6,849	7.4%	-1.2%	7.7%
United Kingdom	47,817	47,792	25	0.1%	-3.1%	0.1%
Spain	51,755	46,887	4,868	10.4%	35.9%	9.7%
Europe	504,784	490,302	14,482	3.0%	-9.2%	3.5%

North America
In the United States (accounting for 87.5% of the area), the motorcycle segment recorded a 5.7% decrease, selling 284,098 units against 301,403 units in the first half of 2023. The over 50cc segment decreased by 6.0%, while the 50cc segment increased by 4.0%.

Asia
India is the most important motorcycle market in Asia. The motorcycle market in the Asean 5 area is far less important than the scooter sector. Sales of motorcycles in Vietnam were not significant.

12 The market vehicle registrations values for the first half of 2023 may differ from those published last year due to the update of the final data that some countries publish with a delay of a few months.

Main results

In the first six months of 2024, the Piaggio Group sold a total of 211,200 two-wheeler vehicles worldwide, accounting for net revenues equal to approximately €788.0 million, including spare parts and accessories (€80.9 million, -3.9%).
Overall, volumes decreased by 21.0% and net revenues by 17.5%.
As shown in the table, all markets recorded a negative performance, with the exception of India (-3.0% volumes; +10.4% net revenues; +11.8% with constant exchange rates).

Market positioning[13]

On the European market[14], the Piaggio Group achieved a 11.4% share overall in the first half of 2024, compared to 12.5% in the first half of 2023, confirming second place in the scooter segment with a 21.4% share (23.3% in the first half of 2023).
In Italy, the Piaggio Group had a 15.0% market share overall (16.3% in the first half of 2023), and a 23.6% share in the scooter segment (25.3% in the first half of 2023).

On the North American scooter market, the Piaggio Group held a 27.2% share (29.3% in the first half of 2023).

COMMERCIAL VEHICLES

	1ST HALF OF 2024		1ST HALF OF 2023		CHANGE %		CHANGE	
	VOLUMES SELL-IN (UNITS/000)	NET REVENUES (MILLION EUROS)	VOLUMES SELL-IN (UNITS/000)	NET REVENUES[15] (MILLION EUROS)	VOLUMES	NET REVENUES	VOLUMES	NET REVENUES
EMEA and Americas	6.7	57.3	6.7	71.5	0.4%	-19.9%	0.0	(14.2)
of which EMEA	2.9	50.1	4.2	66.4	-30.3%	-24.5%	(1.3)	(16.3)
(of which Italy)	*2.0*	*35.7*	*2.3*	*43.1*	*-14.5%*	*-17.3%*	*(0.3)*	*(7.4)*
of which America	*3.8*	*7.2*	*2.4*	*5.2*	*53.6%*	*39.5%*	*1.3*	*2.0*
India	52.2	145.0	50.5	141.0	3.4%	2.9%	1.7	4.0
TOTAL	**58.9**	**202.3**	**57.1**	**212.5**	**3.1%**	**-4.8%**	**1.8**	**(10.2)**
Ape	56.6	132.5	54.1	129.8	4.7%	2.0%	2.5	2.7
Combustion engine	*47.3*	*95.4*	*43.6*	*88.0*	*8.3%*	*8.3%*	*3.6*	*7.3*
Electric engine	*9.4*	*37.1*	*10.5*	*41.8*	*-10.6%*	*-11.2%*	*(1.1)*	*(4.7)*
Porter	2.3	38.1	3.0	52.8	-25.1%	-27.9%	(0.8)	(14.7)
Combustion engine	*2.3*	*38.1*	*3.0*	*52.8*	*-25.2%*	*-27.9%*	*(0.8)*	*(14.7)*
Electric engine	*0.0*	*0.0*	*0.0*	*0.0*			*0.0*	*(0.0)*
Spare Parts and Accessories		31.8		29.9		6.3%		1.9
TOTAL	**58.9**	**202.3**	**57.1**	**212.5**	**3.1%**	**-4.8%**	**1.8**	**(10.2)**

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.

13 Market shares for the first half of 2023 might differ from figures published last year, due to final vehicle registration data, which some countries publish with a few months' delay, being updated.
14 Italy, France, Spain, Germany, United Kingdom, Belgium, Holland, Greece, Croatia, Portugal, Switzerland, Austria, Finland, Sweden, Norway, Denmark, Czech Republic, Hungary and Slovenia.
15 Following the contractual changes made since 2024 to sell out promotions for the Indian market, the costs of these promotions, previously allocated under the costs for services, have now been allocated as a deduction of revenues. Despite the negligible value, €4.9 million was reclassified in the first half of 2023 from costs for services to lower revenue (of which €3.4 million for the Commercial Vehicles segment), in order to give readers a better comparability with 2024 figures.

Background

Europe
In the first six months of 2024, 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 840,400 units (data source ACEA), a 15% increase compared to the first six months of 2023.

Specifically, the cab sector in which Piaggio Commercial vehicles operates sold approximately 111,000 units. Looking at the served market in detail, registrations in the main European reference markets (Spain, France, Italy and Germany) came to approximately 59,600 units, increasing over the same period of the previous year (+23% compared to the first six months of 2023), as a result of the entry into force of new European regulations which led to a high number of vehicle registrations due to type approvals expiring.

India
Sales on the Indian three-wheeler market, where Piaggio Vehicles Private Limited, a subsidiary of Piaggio & C. S.p.A. operates, went up from 279,764 units in the first six months of 2023 to 319,455 units in the same period of 2024, registering a 14.2% increase.
On this market, the passenger vehicles segment recorded the biggest increase in units (+13.4%), from 230,116 units in the first six months of 2023 to 260,940 units in the first six months of 2024. The cargo segment also increased (+17.9%), from 49,648 units in the first six months of 2023 to 58,515 units in the first half of 2024.
Electric three-wheelers reported significant growth (+99.7%) from 25,894 units in the first six months of 2023 to 51,703 units in the first six months of 2024.

Main results

During the first six months of 2024, the Commercial Vehicles business generated net revenues of approximately €202.3 million, down by 4.8% compared to the same period of the previous year.
The downturn recorded by the Emea & Americas CGU (-19.9%) was only partially offset by the growth in the India CGU (+2.9%; +4.1% with constant exchange rates).
The EMEA markets reported contrasting trends. The increases in net revenues in the Americas area (+39.5%) were practically cancelled out, in absolute terms, by the decrease in the Emea area (-24.5%).
The Indian affiliate Piaggio Vehicles Private Limited (PVPL) sold 47,762 three-wheelers on the Indian market (46,659 in the first six months of 2023). Sales of three-wheelers with electric engine decreased, from 10,504 units in the first half of 2023 to 9,393 units in the current half-year.
The same affiliate also exported 4,447 three-wheeler vehicles (3,809 in the first half of 2023).

Market positioning[16]

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, Piaggio has a market share of 15.0% (15.5% in the first six months of 2023). Detailed analysis of the market shows that Piaggio increased its share by 0.8% in the cargo segment to reach 28.6% (27.8% in the first half of 2023). In the Passenger segment, its share stood at 11.9% (12.9% in the first six months of 2023).

16 Market shares for the first half of 2023 might differ from figures published last year, due to final vehicle registration data, which some countries publish with a few months' delay, being updated.

THE REGULATORY FRAMEWORK

European Union

CO_2 Emissions

European institutions reached a final agreement on the revision of Regulation (EU) 2019/631, which defines the CO_2 emission performance standards for new passenger cars and light commercial vehicles, and which envisages the possibility of marketing after 2035, electric engines, as well as motor vehicles with combustion engines powered by synthetic fuels (e-fuels), i.e. produced chemically by binding hydrogen with CO_2 captured from the atmosphere. The next date is 2026, the year when a review clause is expected, which could modify the times for phasing out combustion engines.
Italy has demanded equal treatment for e-fuels and bio-fuels, obtained from vegetable and animal waste, but at the moment this position is shared by only a few other countries at EU Council level. However, the recent European elections and the new Commission soon taking office could open up new scenarios and perspectives. Many political parties, including the PPE which is the Group with the most MEPs, have already declared they wish to review the phase out planned for 2035. The Commission is evaluating whether to launch an impact study on the matter, in order to present possible scenarios, due to the 2026 review clause, to the Member States and Parliament.
The Regulation, approved in 2023, also envisages the possibility for small manufacturers of light commercial vehicles, including Piaggio, registering less than 22,000 units per year to apply, up until 2035, for an exemption.

"EURO7" Regulation

After the agreement in late 2023 between the EU Council, Parliament and Commission on the type approval of motor vehicles for the new EURO 7 emission limits, the Regulation was officially approved and published in the Official Journal in May 2024. According to the text, the EURO 6 emission limits will be maintained, albeit with some new measurement criteria. EURO 7 will introduce the obligation to measure the emissions of microplastics from tyres and particles emitted by braking systems, and some new requirements regarding the durability of batteries. So electric vehicles will also fall within the scope of the Regulation.
The Regulation will enter into force from November 2026 for cars and vans, and from May 2028 for buses, trucks and trailers. For small manufacturers producing less than 22,000 units per year, which includes Piaggio, an exemption up until 2030 is in place.

Customs duties - China

At the end of 2023, the European Commission launched an investigation into state aid for manufacturers of battery-powered electric vehicles (BEV) in China. The purpose was to see whether this aid had distorted competition within the EU market.
In June 2024, as part of this investigation, the European Commission concluded, on a provisional basis, that the value chain of battery-powered electric vehicles in China benefited from this aid, which was threatening to financially harm European manufacturers of BEV. In this regard, it announced the level of compensatory provisional customs' duties it intended imposing on imports of electric cars from China. The Commission defined some individual customs' duties for three Chinese manufacturers, varying from 17.4% to 38.1%. For all other BEV manufacturers in China that assisted in the investigation but were not included in the sample, an average weighted customs' duty of 21% was planned.
The investigation and resulting compensatory measures only refer to electric cars and not to light commercial electric vehicles or to electric scooters and motorcycles.

Batteries Regulation

Following the entry into force of the Batteries Regulation, which provides new rules for the design, manufacture and management of all types of batteries sold within the EU and their waste, the implementing phase has now begun, with the adoption of various articles, according to different timeframes.
The Regulation classifies batteries under 25 kg used in all means of transport as 'Light Means of Transport (LMT)'. Batteries in means of transport above 25 kg are defined as 'Electric vehicles batteries (EV)', while batteries providing energy for starting, lighting and injection are considered as 'Starting, Lighting and Ignition Batteries (SLI)'.
The regulation aims to encourage the production of more sustainable batteries over their entire life cycle and envisages the obligation to use responsibly sourced materials and bans the use of hazardous substances.

The text also sets battery waste collection targets for manufacturers and introduces a specific target (51% by the end of 2028 and 61% by the end of 2031) for the collection of 'LMT' battery waste. Finally, labelling and consumer information requirements for EV batteries are foreseen, as well as an electronic 'Battery Passport' to monitor reuse and the affixing of a QR code on each battery.
In the coming months, the European Commission will publish the Delegated Acts clarifying some aspects which are still pending. For example, the matter of cell replaceability in LMT vehicles, which risks conflicting with some battery safety issues is still under discussion.

Swappable Batteries Motorcycle Consortium - SBMC

Piaggio, together with Honda, Yamaha and KTM, has created the Swappable Batteries Motorcycle Consortium (SBMC) with the aim of developing an international standard to make scooter and motorbike batteries interoperable and exchangeable. This innovative technology aims to improve battery lifecycle sustainability, reduce costs and cut recharging times, meeting key consumer needs. Nearly 40 companies are now members of the Consortium, which includes global players in the automotive, component and battery manufacturing sectors, ready to pool their know-how for the definition of common open standards to the benefit of consumers. The Technical Committee of the SBMC Consortium has now defined most of the common specifications. These have been tested through the development of a prototype battery. A new testing phase on vehicles has been scheduled for early 2025. A formal dialogue has already been started with international standardisation bodies (ISO and Cen-Cenelec) and negotiations are ongoing with various national delegations, to reach a definition of a final standard.

Cybersecurity

The 'Cyber Resilience Act' will come into force in the second part of 2024, but light commercial vehicles (Category N1) and passenger cars (M1) will not be covered as they are already obliged to comply with the requirements of the two international UNECE Regulations R155 and R156 on Cybersecurity, which refer to the ISO 21434 and ISO 24089 standards.
In order not to create discrepancies between motor vehicles and motorcycles, the entire L-category will also be excluded from the Cyber Resilience Act, but included in UNECE Regulation R155. Therefore, two-wheeler vehicle manufacturers will have to implement a Cyber Security Management System (CSMS) that will cover all processes of the entire vehicle life cycle, from design to post-production monitoring and finally disposal.
The date of application for scooters and motorbikes should not be before 2026, depending on the Delegated Acts to be finalised by the European Commission.

Ecodesign

In June 2024, the "Ecodesign" Regulation was published in the Official Journal of the European Union; the Regulation sets out a framework for the definition of specifications for the ecodesign requirements of sustainable products. The Regulation extends the scope of existing legislation to almost all products placed on the EU market. All type-approved motor vehicles are excluded from this Regulation, but only for those aspects and requirements already covered by sector legislation, such as End of Life (ELV), the Battery Regulation and REACH. Category L, as it is not yet subject to ELV legislation, which is currently being revised, will fall under most of the Ecodesign requirements. However, the application dates of the two Regulations (ELV and Ecodesign) may coincide (estimated 2028). Tyres, scooters and electric bikes are also included in the scope of the Ecodesign Regulation. All merchandising products will then be included. The details and parameters will be decided by the European Commission in Delegated Acts.

End of life of vehicles - ELV

The European Commission presented a new legislative proposal in 2023 to revise existing regulations on End of Life Vehicles (ELV). The entire L-Category will become part of the scope of the regulations, as is already the case for cars and commercial vehicles, with the exception of L1 and L2 categories, whose inclusion is not considered.
Manufacturers will be required to meet specific targets on the recycling and reuse of materials, comply with vehicle design obligations to facilitate the recovery of components, publish a manual on dismantling and be responsible for the collection and disposal of end of life vehicles.

The text has not yet been discussed by the European Parliament, due to a break in parliamentary works for the European elections, while the Council is in the negotiation phase. Approval in early 2025 is possible. Bearing in mind a certain lead time, in addition to the entry into force, actual application is not expected before 2028, for alignment with the new requirements.

EU packaging regulation

Negotiations on the Proposal to revise the European Packaging and Packaging Waste Regulation, which mainly impacts merchandising, are coming to an end. The Commission's Proposal aims to make the packaging of certain product categories fully recyclable by 2030. The proposal envisages solutions to significantly reduce packaging waste per capita per Member State with targets set at a 5% reduction in 2030, a 10% reduction in 2035, and a 15% reduction in 2040, compared to 2018.
The EU Parliament approved a text in which the role of recycling is recognised to a greater extent, alongside that of re-use. This position was strongly supported by Italy. The Council's position, on the other hand, did not satisfy the requests of Italy, which therefore voted against, the only country to hold this position.
Following inter-institutional discussions (trilogue negotiations), an agreement was reached, and confirmed by the European Parliament on 24 April 2024. After the latest European elections in June 2024, the newly-elected European Parliament should confirm this agreement.
In this case, the Regulation would come into force at the end of 2024 and would apply starting from the following 18 months (mid 2026).

Emission trading

The fourth phase of the Emission Trading Scheme (EU-ETS) was launched, with the free allocation of emission permits using emission factors defined at European level and specific to each industrial sector. For the Pontedera industrial site, the only plant of the Group that falls within the scope of the "Emission Trading" Directive (Directive 2003/87/EC), this means the allocation of a number of emission permits that is generally lower than the emissions recorded in the reference year, with the need to purchase necessary quotas in order to achieve compliance on the emissions market.

EU Regulation on Deforestation

The EU Regulation on Deforestation (Regulation (EU) 2023/1115), will come into force on 30 December 2024 and will impact various products, including those deriving from rubber and leather, that have entered Europe after 29 June 2023.
For Piaggio, the impact will mainly concern some spare parts (timing belts, tyres), and accessories containing leather or rubber.
Assembled vehicles will instead be considered in their entirety and therefore are outside the scope of the regulation.
The Regulation will require operators (including subsidiaries) that import commodities and products which come under the scope of the Directive to perform due diligence to check for any risk of deforestation.
The due diligence shall take into account: a description of the products, quantities, country, geolocation, and risk assessment and mitigation.
The European Commission is preparing an ad hoc digital platform for Due Diligence, that will be ready by December 2024. Before the end of 2024, the list of countries at risk of deforestation will also be published.

Italy

Road safety bill

At the end of June 2023, a Road Safety Bill was presented, reforming numerous articles of the Highway Code.
The articles include an amendment that would enable 120cc and bigger motorcycles to transit on motorways and principal outer-suburban roads (ring roads) on condition that the riders are adults.

Several stringent measures have also been proposed to increase the safety of electric kick scooter drivers, including:
- the definition of the technical and construction characteristics of the vehicle;
- making it compulsory in sharing systems, to have a mechanism that prevents transit outside permitted areas;
- making it compulsory to have a 'sticker' (adhesive, plastic-coated and non-removable) and 'insurance cover';
- making a helmet compulsory, also for adults;
- having a ban on transit on the wrong side of the road and outside town centres;
- having a general ban on pavement parking;
- making it mandatory to have luminous devices for turning (indicators) and braking (stop light).

The Bill was approved by the Council of Ministers and is currently under review by Parliamentary Commissions. Approval is envisaged for before the end of 2024.

Additional funding for electric vehicle incentives - Category L

The Italian government has provided new funding for incentives for the purchase of Category L electric vehicles. In addition to the €30 million already provided for in the Prime Minister's Decree of 6 April 2022, the new Prime Minister's Decree presented in February 2024 added a further €15 million for electric mopeds and motorbikes. A further €17 million from the redistribution of funds unused in previous years have also been allocated to Category L vehicles. The subsidy for this category, aimed at those who purchase a brand new electric or hybrid vehicle in categories L1e, L2e, L3e, L4e, L5e, L6e, L7e, is calculated on the percentage of the list price: 30% up to €3,000 for purchases without scrapping a vehicle, and 40% up to €4,000 for purchases with the scrapping (of vehicles up to EURO3).

Light Commercial Vehicle Incentives - Category N1

The new Prime Minister's Decree reconfiguring incentives for the purchase of low-polluting emission vehicles (Ecobonus), has allocated resources amounting to €950 million for 2024 for the entire automotive sector. Of these, €53 million are earmarked to incentivise the purchase of Light Commercial Vehicles, according to a scheme that envisages different brackets of incentives based on vehicle weight and engine. The incentives for the purchase of Commercial Vehicles powered by alternative fuels also include bi-fuel vehicles (petrol/methane and petrol/LPG).

India

Onboard Diagnostic-II (OBD-II)

The implementation of the OBD-II Regulation for Bharat Stage VI (BS VI) vehicles is envisaged for all internal combustion engine vehicles in categories L5N and L5M. Since 1 April 2023, the regulation has been in force for newly approved vehicles and will be extended to all newly registered products in April 2025.

20% ethanol mix in petrol

As of 1 April 2023, the regulation of the Indian government (Ministry of Petroleum and Natural Gas) on increasing the percentage of ethanol in petrol up to 20% came into force in metropolitan areas and tier 1 cities. For the rest of India, the regulation will come into effect in April 2025.

"FAME" scheme - incentives

The Indian government is working on the proposal for the FAME-IIII directive that should come into force in August 2024, replacing the current EMPS requirements which are valid up until 31 July 2024. The intention is to promote the electrification of three-/four-wheelers and two-wheelers, with the aim of having 30% of vehicle registrations consisting of electric vehicles by 2025. The FAME (Faster Adoption of Electrical Mobility) programme, adopted by the Indian government in 2015, is part of this strategy and aims

to incentivise the purchase of 2, 3 and 4-wheeler electric and hybrid vehicles. In April 2019, the transition to the second stage of the scheme was officially announced, with new funds allocated for a total of 1.4 billion USD and incentives targeting the purchase of electric vehicles and development of charging infrastructure. The programme received a further boost in June 2021 with the increased subsidy structure under FAME II for two-wheelers.
Some local governments have declared they intend issuing new regulations to promote the adoption of electric vehicles.

Vietnam

Emissions

Since 1 January 2017, the National Technical Regulation on the Third Tier of Emission of Gaseous Pollutants No. 77 issued by the Ministry of Transport in 2014 ("QCVN 77: 2014 / BGTVT") has been in force in Vietnam for newly assembled, manufactured and imported two-wheeler motorcycles. This level is equivalent to the EURO3 standard specified in the technical regulations on vehicle gas emissions of the European Community. The Vietnamese government is considering moving to the EURO4 standard in the coming years. The Law on Environmental Protection, which came into force on 1 January 2022 ('New Law on Environmental Protection'), stipulates that all transport vehicles must be certified to meet Vietnamese environmental regulations. However, as of 1 January 2022, only newly registered cars manufactured in Vietnam or imported must comply with EURO5 emission limits. In an attempt to reduce environmental pollution, the Vietnamese government intends implementing the gas emission limitation for 2-wheelers as well. Local governments in some large cities have cooperated with authorities and industry associations to test the gas emissions of vehicles on the road to be proposed to the government for a procedure to test and effectively enforce gas emission limitation standards on vehicles.
On 27 June 2024, the National Assembly of Vietnam approved the amendment on road safety, that will come into force on 1 January 2025. This amendment sets out the rules to test the emissions of two-wheelers that transit on roads. The emissions tests must be conducted in compliance with environmental laws and at testing centres that meet national technical standards. The Ministry of Transport will issue the technical specifications for the tests.
In 2021 at the Climate Change Conference ('COP26'), the Vietnamese Prime Minister committed Vietnam to achieving zero emissions by 2050. Actions to achieve this target are to be discussed. In addition, Government Decree 48/NQ-CP of 5 April 2022 also required 5 major cities (Hanoi HCMC, Danang, Can Tho, Hai Phong) to study and devise a scheme for restricting the movement of 2-wheeler vehicles by 2030, consistent with the conditions of infrastructure and public transport, in order to reduce air pollution in major cities.

Energy labelling

In order to reduce environmental pollution and make buyers more aware and informed, the government has imposed energy labelling for motorcycles. With Circular 59/2018/TT-BGTVT, the Ministry of Transport has regulated energy labelling for motorcycles and mopeds that are manufactured, assembled and imported. The energy labelling must be affixed to the motorcycle by the manufacturer/importer/retailer and kept on the vehicle until it is delivered to the end customer.
In addition, the Ministry of Transport is working to regulate the fuel consumption restriction for vehicles assembled, manufactured and imported into Vietnam. This regulation is expected to be published in 2024 and implemented in 2026.

Recycling/end of life of vehicles

The Environmental Protection Act stipulates that manufacturers and importers must recycle discarded products according to compulsory percentages and methodologies, leaving them the choice of either handling the recycling activity themselves or paying the Environment Fund to do it on their behalf. Decree 08/2022/ND-CP under the Environment Act has been issued and will come into force on 10 January 2022. During the initial recycling phase, some of the regulations of the decree were not sufficiently clear to be implemented, so the Ministry of Natural Resources and Environment (MONRE) is currently preparing an amendment to supplement the decree. This amendment will clarify and further explain the scope of responsibility of manufacturers and importers, thus creating greater benefits for the latter in the recycling of products, such as batteries, lubricants and tyres, for which recycling has been compulsory since 1 January 2024. The draft version is still being worked on and the decree should be issued before the end of 2024.

Emission Trading

According to Vietnam's Law on the Environment and Decree 06/2022/ND-CP on Greenhouse Gas (GHG) Emission Mitigation and Ozone Layer Protection, entities subject to the Greenhouse Gas Emission Directive, including Piaggio Vietnam, are required to monitor and reduce GHGs, receive GHG emission allowances and have the right to trade these allowances on the domestic carbon market.

Organisations and individuals not on this list are encouraged to reduce greenhouse gas emissions according to their conditions and activities.

An action plan for the creation of a greenhouse gas emission allowance and carbon credit trading market was prepared and started in 2023 with the accounting and reporting of operational data and greenhouse gas emissions of the previous year from production facilities. Allowance trading is scheduled to begin in 2026. Organisations and individuals will participate in the carbon market on a voluntary basis. GHG emission allowances and carbon credits will be traded on the carbon trade exchange and the domestic carbon market. Organisations will be able to auction, transfer, borrow, surrender GHG emission allowances, use carbon credits to offset GHG emissions. Organisations wishing to obtain certification of traded carbon credits or GHG emission allowances will have to apply to the Ministry of Natural Resources and Environment (MONRE).

The carbon credits market and its exchange on national, regional and global markets will be officially launched and regulated in 2028 as the second phase of this action plan. After the carbon credits market has started, businesses that are not able to reduce their emissions will be required to purchase further credits to offset their excess emissions.


MICHELIN
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RISKS AND UNCERTAINTIES

Due to the nature of its business, the Group is exposed to different types of risks. To mitigate exposure to these risks, Piaggio has adopted a structured and integrated system to identify, measure and manage company risks, in line with industry best practices (i.e. CoSO ERM Framework). Scenarios applicable to Group operations are mapped, involving all organisational units, and are updated on an annual basis. These scenarios are grouped referring to external, strategic, financial or operational risk, also considering sustainability issues and in particular “ESG” (“Environmental, Social, Governance related”) risks, i.e. which are related to environmental aspects, personnel, social matters, human rights and the fight against active and passive corruption. For details, see the 2023 Consolidated Non-Financial Statement.

EXTERNAL RISKS

Risks related to the macroeconomic and geopolitical context

The Piaggio Group is exposed to risks deriving from the characteristics and evolutionary dynamics of the economic cycle and the national and international political context. To mitigate any negative effects arising from the macroeconomic and geopolitical context, the Piaggio Group continued its strategic vision, diversifying operations at international level, in particular in Asia where growth rates of economies are still high, and consolidating the competitive positioning of its products.
The conflict between Russia and Ukraine has had major worldwide consequences due to the economic effects on global markets, especially in terms of increased transport costs, and higher commodity and energy prices. The geographic diversification of the Group’s sales and purchases means that exposure in the conflict area was essentially zero. The indirect impacts of the conflict mainly concerned the increase in the cost of energy, especially for European plants, and the increase in the cost of commodities, partly mitigated by agreements entered into with suppliers.
The conflict in the Middle East is affecting trade flows. In particular, possible attacks on ships navigating in the Red Sea have led to a drastic reduction in traffic in the Suez Canal and a diversion of trade routes, with a consequent increase in costs and time related to the transportation of supplies and distribution of products. Direct impacts on the Group are currently limited, mitigated by the selection of local suppliers and streamlining of systems used for the planning and logistics process.

Risks connected to consumer trends

Piaggio’s success depends on its ability to manufacture products that cater for consumer’s tastes and can meet their needs for mobility. Levering customer expectations and emerging needs, with reference to its product range and customer experience, is essential for the Group to maintain a competitive edge.
Through market analysis, focus groups, concept and product testing, investments in research and development and sharing a roadmap with suppliers and partners, Piaggio can seize emerging market trends to renew its own product range.
Customer feedback enables Piaggio to evaluate customer satisfaction levels and fine tune its own sales and after-sales service model.

Risks related to a high level of market competition

The Group is exposed to the actions of competitors that, through technological innovation or replacement products, could obtain products with better quality standards and streamline costs, offering products at more competitive prices.
Piaggio has tried to tackle this risk, which could have a negative impact on the financial position and performance of the Group, by manufacturing high quality products that are innovative, consume less, are reliable and safe, and by consolidating the brand’s image and its presence in the geographic areas where it operates.

Risk relative to the regulatory and legal framework

Numerous national and international laws and regulations on safety, noise levels, consumption and the emission of pollutant gases apply to Piaggio products. Strict regulations on atmospheric emissions, waste disposal, the drainage and disposal of water and other pollutants also apply to the Group's production sites, as well as sustainability reporting obligations.
Unfavourable changes in the regulatory and/or legal framework at local, national and international level could mean that products can no longer be sold on the market, forcing manufacturers to invest to renew their product ranges and/or renovate/upgrade production plants.
To deal with these risks, the Group invests in resources for research and development into innovative products, anticipating any restrictions on current regulations. Besides being a member of Confindustria, the Group is also part of important national and international associations in the automotive sector, such as ACEM (chaired by Michele Colaninno), ANFIA and ANCMA, which represent and protect the economic, technical and regulatory interests of the automotive sector, with institutional and political bodies, and competent authorities, organisations and associations, at national and international level, in matters of industrial policy and the individual and collective mobility of persons and goods.
Moreover, Piaggio, as one of the sector's leading manufacturers, is often requested to be represented on parliamentary committees appointed to discuss and formulate new laws.

Risks connected with natural events

The global outlook for the coming years highlights an increasing intensification of extreme weather phenomena and climate change risks, with the consequent need for increased attention and protection in this area.
In assessing climate change-related risks, the Piaggio Group has not currently identified as relevant risks related to the inability to achieve strategic objectives due to changes in the external context (also taking into account possible impacts on the supply chain) and to an inadequate management of atmospheric emissions.
The process of identifying these risks, as well as the assessments of their relevance and significance, took place based on both the internal context and on the dynamics of the reference market and current regulations. At a strategic level, the Group intends pursuing the integration of sustainable development principles in its vision and business model in an increasingly precise and consistent manner. This includes the preparation of the Decarbonisation Plan, through which the Group confirms its existing commitment to sustainability, defining concrete actions to help achieve the climate objectives set by the European Union.
The Group operates through industrial sites located in Italy, India, Vietnam and Indonesia. These sites could be affected by natural events, such as earthquakes, typhoons, flooding and other catastrophes that may damage sites and also slow down/interrupt production and sales.
In this context, in 2023 the Piaggio Group, with the support of a leading consulting firm, carried out a climate risk analysis for the Pontedera (Italy) and Baramati (India) plants. This analysis did not reveal any critical issues related to climate factors for either production site.
Potential impacts related to the physical risks associated with climate change are managed by the Group through the continual renovation of facilities, as well as by taking out specific insurance cover for the various sites, based on their relative importance.
The outcome of the above assessments on the relevance of climate change risks was also duly taken into account in the process of defining the assumptions adopted to prepare the Business Plan, as better described in the notes to the consolidated financial statements in the section on goodwill.

Risks connected with the pandemic

If a pandemic spreads and measures are adopted by various governments to contain the virus, the Group could be adversely affected as regards:
- the procurement chain: suppliers might no longer be able to produce/deliver the components necessary to supply production sites;
- production: the Group might no longer be able to use a part of the workforce, following the issue of government regulations limiting personal movement, or it might be impossible for the company to guarantee a healthy, protected work environment;
- product distribution: measures to contain the spread of the virus could require the closure of Group sales outlets. In addition, logistics difficulties caused by delays and/or slowdowns in the transport of products could hinder the supply activities of the sales network.

Piaggio has tried and is trying to deal with this risk, which could negatively affect the Group's financial position and performance following a possible decrease in revenues, profitability and cash flows, thanks to a global sourcing policy, a production capacity distributed in different geographic areas and a sales network present in over 100 nations.
The Group is carefully monitoring developments in the health situation and takes all precautionary measures to guarantee employees' health and safety at its sites, and its commitments made with the sales network and with customers.

Risk connected with the use of new technologies

Piaggio is exposed to the risk arising from the Group's difficulty in keeping up with technological developments, both in terms of products and processes. To face this risk, as regards products, the R&D centres at Pontedera, Noale and the PADc (Piaggio Advance Design Center) in Pasadena carry out research into, and develop and test new technological solutions, such as those dedicated to electric vehicles, levering strategic partnerships in some cases. Piaggio Fast Forward in Boston also studies innovative solutions to anticipate and respond to the mobility needs of the future.
As for the production process, Piaggio has operational areas dedicated to the study and implementation of new solutions to improve the performance of production facilities, with particular attention paid to sustainability and energy efficiency aspects.

Risks connected with the sales network

The Group's business is closely linked to the sales network's ability to guarantee customers, in its main reference markets, high standards of sales and after-sales service, in order to create a long-lasting relationship of trust. Piaggio guarantees that these levels are maintained by contractually defining compliance with certain technical and professional standards, providing training for sales and after-sales service personnel and implementing periodic control mechanisms, reinforced by new IT systems to improve network monitoring activities and therefore the level of service offered to customers.

STRATEGIC RISKS

Reputational and Corporate Social Responsibility risks

In carrying out its operations, the Group could be exposed to stakeholders' perception of the Group and its reputation and their loyalty changing for the worse because of the release of detrimental information or due to ESG (environmental, social and governance) requirements defined in the Sustainability Report not being met. To deal with these risks, the Group has adopted tools to monitor brand perception and customer satisfaction.

Risks connected with the definition of strategies

In defining its strategic objectives, the Group could make errors of judgement with a consequent impact on its image and financial performance.

Risks connected with the adoption of strategies

In carrying out its operations, the Group could be exposed to risks from the wrong or incomplete adoption of strategies, with a consequent negative impact on achieving the Group's strategic objectives. Periodic monitoring to verify any deviations from objectives reduces the impact of these risks.

FINANCIAL RISKS

Risks connected with exchange rate trends

The Piaggio Group undertakes operations in currencies other than the euro and this exposes it to the risk of fluctuating exchange rates of different currencies.
Exposure to business risk consists of envisaged payables and receivables in foreign currency, taken from the budget for sales and purchases reclassified by currency and accrued on a monthly basis.
The Group's policy is to hedge at least 66% of the exposure of each reference month.
Exposure to the settlement risk consists of receivables and payables in foreign currency acquired in the accounting system at any moment. The hedge must at all times be equal to 100% of the import, export or net settlement exposure for each currency.
During the year, currency exposure was managed based on a policy that aims to neutralise the possible negative effects of exchange rate variations on company cash flow. This was achieved by hedging economic risk, which refers to changes in company profitability compared to the planned annual economic budget, based on a reference change (the "budget change"), and transaction risk, which refers to differences between the exchange rate at which receivables and payables are recognised in currency in the financial statements and the exchange rate at which the relative amount received or paid is recognised.
The Group has assets and liabilities which are sensitive to changes in interest rates and are necessary to manage liquidity and financial requirements. These assets and liabilities are subject to an interest rate risk and are hedged by derivatives or by specific fixed-rate loan agreements.
For a further description, reference is made to the specific section 37 of the Notes to the Consolidated Financial Statements.

Risks connected with insufficient cash flows and access to the credit market

The Group is exposed to the risk arising from the production of cash flows that are not sufficient to guarantee Group payments due, or adequate profitability and growth to achieve its strategic objectives. Moreover, this risk is connected with the difficulty the Group may have in obtaining loans or a worsening in conditions of loans necessary to support Group operations in appropriate time frames.
To deal with these risks, cash flows and the Group's credit line needs are monitored or managed centrally under the control of the Group's Treasury in order to guarantee an effective and efficient management of financial resources as well as optimise the debt maturity standpoint.
The Group has undrawn credit lines sufficient to enable it to manage any unforeseen cash requirements.
In addition, the Parent Company finances the temporary cash needs of Group companies through the direct disbursement of short-term loans regulated at market conditions or by means of guarantees, and also arranges for the disposal of receivables or supply chain financing or reverse factoring transactions, as better specified in the valuation criteria in the notes to the consolidated financial statements 2023.

Risks connected with credit quality of counterparties

This risk is connected with any downgrading of the credit rating of customers and consequent possibility of late payments, or the insolvency of customers and consequent failure to receive payments.
To balance this risk, the Parent Company evaluates the financial reliability of its business partners and stipulates agreements with primary factoring companies in Italy and other countries for the sale of trade receivables without recourse.

Risks connected with deleverage

This risk is connected with compliance with covenants and targets to reduce loans, to maintain a sustainable debt/equity balance.
To offset this risk, the measurement of financial covenants and other contract commitments is monitored by the Group on an ongoing basis.

OPERATING RISKS

Risks relative to the product

The "Product" category includes all risks concerning faults due to a nonconforming quality and safety and consequent recall campaigns that could expose the Group to: the costs of managing campaigns, replacing vehicles, claims for compensation and if faults are not managed correctly and/or are recurrent, damage to its reputation. A product nonconformity may be due to potential errors and/or omissions of suppliers, or internal processes (.e. during product development, production, quality control).
To mitigate these risks, Piaggio has established a Quality Control system, it tests products during various stages of the production process and carefully sources its suppliers based on technical/professional standards. The quality provided by the Group is also guaranteed by it being awarded and maintaining certification of its quality management systems at global level (ISO 9001). The Group has also defined plans to manage recall events and has taken out insurance to protect the Group against events attributable to product defects.

Risks connected with the production process / business continuity

The Group is exposed to risk connected with possible interruptions to company production, due to the unavailability of raw materials or components, skilled labour, systems or other resources.
To deal with these risks, the Group has necessary maintenance plans, invests in upgrading machinery, has a flexible production capacity, prepares Disaster recovery plans and sources from several suppliers of components to prevent the unavailability of one supplier affecting company production. Moreover, the operating risks related to industrial sites in Italy and other countries are managed through specific insurance cover assigned to sites based on their relative importance.

Risks connected with the supply chain

In carrying out its operations, the Group sources raw materials, semi-finished products and components from a number of suppliers. Group operations are conditioned by the ability of its suppliers to guarantee the quality standards and specifications requested for products, as well as relative delivery times. To mitigate these risks, the Group qualifies and periodically evaluates its suppliers based on professional/technical/financial criteria in line with international standards.

Risks connected with the environment and with health and safety

The Group has production sites, research and development centres and sales offices in different nations and so is exposed to the risk of not being able to guarantee a safe working environment, with the risk of causing potential harm to property, the environment or people and exposing the Group to legal sanctions, lawsuits brought by employees, costs for compensation payments and reputational harm.
To mitigate these risks, Piaggio adopts a development model based on environmental sustainability, in terms of safeguarding natural resources and the possibility that the ecosystem might absorb the direct and indirect impact of production activities. Specifically, Piaggio seeks to minimise the environmental impact of its industrial activities through careful definition of the technological transformation cycle and using the best technologies and most modern methods of production.
The risks related to accidents/injuries sustained by personnel are mitigated by using personal protective equipment, providing continual training, aligning processes, procedures and structures with applicable Occupational Safety laws, as well as best international standards.
These commitments, enacted in the Code of Ethics and stated by top management in the Group's "environmental policy" which is the basis for environmental certification (ISO 14001) and health and safety certification (ISO 45001) already awarded and maintained at production sites, is a mandatory benchmark for all company sites.

Risks connected with processes and procedures adopted

The Group is exposed to the risk of shortcomings in planning its company processes or errors and deficiencies in carrying out operations.
To deal with this risk, the Group has established a system of directives comprising organisational notices and Manuals/Policies, Management Procedures, Operating Procedures and Work Instructions. All documents relative to Group processes and procedures are part of the single Group Document Information System, with access that is regulated and managed on the company intranet.

Risks relative to human resources

The main risks the Group is exposed to concerning human resources management include the ability to recruit and retain expertise, professionalism and experience necessary to achieve objectives. To offset these risks, the Group has established specific policies for recruitment, career development, training, remuneration, talent retention and management, which are adopted in all countries where the Group operates according to the same principles of merit, fairness and transparency, and focussing on aspects that are relevant for the local culture.
In Europe, the Piaggio Group operates in an industrial context with a strong trade union presence, and is potentially exposed to the risk of strikes and interruptions to production activities. In the recent past, there have been no major interruptions to production because of strikes. To avoid the risk of interruptions to production activities, as far as possible, the Group bases its relations with trade union organisations on dialogue.

Legal risks

The Piaggio Group legally protects its products and brands throughout the world. In some countries where the Group operates, laws do not offer certain standards of protection for intellectual property rights. This circumstance could render the measures adopted by the Group to protect itself from the unlawful use of these rights by third parties inadequate.
Within the framework of its operations, the Group is involved in legal and tax proceedings. As regards some of the proceedings, the Group could be in a position where it is not able to effectively quantify potential liabilities that could arise. A detailed analysis of the main disputes is provided in the specific paragraph in the Notes to the Consolidated Financial Statements.

Risks relative to internal offences

The Group is exposed to risks of its employees committing offences, such as fraud, active and passive corruption, acts of vandalism or damage that could have negative effects on its business results in the year, and also harm the image and integrity of the Company and its reputation. To prevent these risks, the Group has adopted an Organisational Model pursuant to Legislative Decree No. 231/2001 and a Code of Ethics, which sets out the principles and values inspiring the entire organisation, and has set up a Whistleblowing platform, for people to use to report information on serious wrongdoings relating to violations of the law and/or the internal control system, which have occurred or are very likely to occur within the organisation.

Risks relative to reporting

The Group is exposed to the risk of possible inadequacies in its procedures that are intended to ensure compliance with Italian and relevant foreign regulations applicable to financial disclosure, running the risk of fines and other sanctions. In particular the Group is exposed to the risk that financial reporting for stakeholders is not accurate and reliable due to significant errors or the omission of material facts and that the disclosure required by applicable laws is provided in a manner which is inadequate, inaccurate or untimely.
To deal with these risks, the financial statements are audited by Independent Auditors. Moreover, the control activities required by Italian Law 262/2005 were extended to cover the most important subsidiaries, Piaggio Vehicles Pvt. Ltd, Piaggio Vietnam Co Ltd, PT Piaggio Indonesia, Aprilia Racing S.r.l, Piaggio Group Americas Inc. and Foshan Piaggio Vehicles Technologies Co Ltd.

Risks related to ICT systems

With reference to this category, the main risk factors that could compromise the availability of the Group's ICT systems include cyber attacks, which could cause the possible interruption of production and sales support activities or compromise the confidentiality, integrity and availability of personal data managed by the Group.
Globally, there were some cyber attacks during the period, which did not, however, cause any damage to the Group. In this context, the constant reinforcement of the centralised control system aimed at improving the Group's IT security is part of the process..

EVENTS OCCURRING AFTER THE END OF THE PERIOD

No significant events occurred after the end of the period.

OPERATING OUTLOOK

In the absence of additional critical factors in the global macroeconomic situation, thanks to its portfolio of iconic brands, admired around the world as Italian symbols of elegance, sportiness and advanced technology, Piaggio hopes to maintain the margins of the last few months for full-year 2024, independently of possible temporary slowdowns on some markets.

The current difficulties in international transport arising from the Israeli-Palestinian conflict and the related rise in costs and delivery times will continue to be managed through careful inventory and procurement planning, with a constant focus on the search for greater efficiency.

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. In Italy, important investment plans have been drawn up for the coming years, to be ready for the current energy transition. The decision to verticalise the development and production of strategic assets will be the key for efficient management of the new technologies.

TRANSACTIONS WITH RELATED PARTIES

Revenues, costs, payables and receivables as of 30 June 2024 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 Condensed Consolidated Interim Financial Statements.

INVESTMENTS OF MEMBERS OF THE BOARD OF DIRECTORS AND MEMBERS OF THE CONTROL COMMITTEE

At the date of this report, the Chairman and the Chief Executive Officer respectively held 125,000 shares of the Parent Company Piaggio & C. S.p.A..


PIAGGIO
PIAGGIO & C. s.p.a.
STABILIMENTI DI PONTEDERA
ITALIA

PIAGGIO GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2024

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2024

CONSOLIDATED FINANCIAL STATEMENTS

The following consolidated financial statements are a part of the Condensed Consolidated interim financial statements.

CONSOLIDATED INCOME STATEMENT

NOTES	IN THOUSANDS OF EUROS	1ST HALF OF 2024 TOTAL	1ST HALF OF 2024 of which related parties	1ST HALF OF 2023 TOTAL	1ST HALF OF 2023 of which related parties
4	Net revenues[17]	990,298	2	1,167,176	6
5	Costs for materials	611,007	10,271	744,434	15,506
6	Costs for services and use of third-party assets[17]	139,905	679	150,513	771
7	Employee costs	141,095		141,887	
8	Depreciation and impairment costs of property, plant and equipment	26,729		27,072	
8	Amortisation and impairment costs of intangible assets	37,791		40,903	
8	Depreciation of rights of use	5,158		5,603	
9	Other operating income	89,717	155	80,619	202
10	Impairment of trade and other receivables, net	(1,338)		(2,226)	
11	Other operating costs	12,898	6	17,577	15
	Operating income	**104,094**		**117,580**	
12	Results of associates - Income/(losses)	(633)	(667)	139	139
13	Financial income	1,003		1,309	
13	Financial costs	25,370	137	20,253	28
13	Net exchange-rate gains/(losses)	(1,318)		(612)	
	Profit before tax	**77,776**		**98,163**	
14	Income taxes	25,666		33,375	
	Net Profit (loss) for the period	**52,110**		**64,788**	
	Attributable to:				
	Owners of the Parent Company	**52,110**		**64,788**	
	Non-controlling interests	**0**		**0**	
15	**Earnings per share (figures in €)**	**0.147**		**0.183**	
15	**Diluted earnings per share (figures in €)**	**0.147**		**0.183**	

17 Following the contractual changes made since 2024 to sell out promotions for the Indian market, the costs of these promotions, previously allocated under the costs of services, have now been allocated as a deduction of revenues. Despite the negligible value, €/000 4,872 was reclassified in the first half of 2023 from costs for services to lower revenue, in order to give readers a better comparability with 2024 figures.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOTES	IN THOUSANDS OF EUROS	1ST HALF OF 2024	1ST HALF OF 2023
	Net Profit (loss) for the period (A)	**52,110**	**64,788**
	Items that will not be reclassified in the income statement		
39	Remeasurements of defined benefit plans	655	67
	Total	**655**	**67**
	Items that may be reclassified in the income statement		
39	Exchange gain (losses) arising on translation of foreign operations	1,719	(2,086)
39	Share of Other Comprehensive Income/(loss) of associates valued with the equity method	87	(744)
39	Total profits (losses) on cash flow hedges	1,017	(5,840)
	Total	**2,823**	**(8,670)**
	Other comprehensive income/(loss) (B)[18]	**3,478**	**(8,603)**
	Total comprehensive income/(loss) for the period (A + B)	**55,588**	**56,185**
	Attributable to:		
	Owners of the Parent Company	**55,572**	**56,197**
	Non-controlling interests	**16**	**(12)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOTES	IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024 TOTAL	AS OF 30 JUNE 2024 of which related parties	AS OF 31 DECEMBER 2023 TOTAL	AS OF 31 DECEMBER 2023 of which related parties
	ASSETS				
	Non-current assets				
16	Intangible assets	768,596		754,142	
17	Property, plant and equipment	287,286		287,510	
18	Rights of use	36,251		36,866	
32	Investments	7,904		8,484	
33	Other financial assets	16		16	
23	Tax receivables	8,600		9,678	
19	Deferred tax assets	58,920		70,439	
21	Trade receivables				
22	Other receivables	19,640		18,259	
	Total non-current assets	**1,187,213**		**1,185,394**	
	Current assets				
21	Trade receivables	132,789	398	58,878	394
22	Other receivables	78,521	33,786	86,879	33,859
23	Tax receivables	19,996		18,855	
20	Inventories	370,165		328,017	
33	Other financial assets			6,205	
34	Cash and cash equivalents	324,582		181,692	
	Total current assets	**926,053**		**680,526**	
	Total assets	**2,113,266**		**1,865,920**	
	SHAREHOLDERS' EQUITY AND LIABILITIES				
	Shareholders' equity				
38	Share capital and reserves attributable to the owners of the Parent Company	443,382		416,146	
38	Share capital and reserves attributable to non-controlling interests	(159)		(175)	
	Total shareholders' equity	**443,223**		**415,971**	
	Non-current liabilities				
35	Financial liabilities	523,607		467,053	
35	Financial liabilities for rights of use	20,427	4,568	19,665	4,362
25	Trade payables				
26	Other non-current provisions	19,656		17,691	
27	Deferred tax liabilities	5,879		7,087	
28	Retirement funds and employee benefits	24,314		25,222	
29	Tax payables				
30	Other payables	12,360		12,392	
	Total non-current liabilities	**606,243**		**549,110**	
	Current liabilities				
35	Financial liabilities	179,319		124,876	
35	Financial liabilities for rights of use	9,193	1,370	10,336	1,247
25	Trade payables	720,771	7,391	619,003	6,371
29	Tax payables	18,079		13,912	
30	Other payables	120,381	43,953	117,267	43,786
26	Current portion of other non-current provisions	16,057		15,445	
	Total current liabilities	**1,063,800**		**900,839**	
	Total Shareholders' Equity and Liabilities	**2,113,266**		**1,865,920**	

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Movements from 1 January 2024 / 30 June 2024

					TRANSACTIONS WITH SHAREHOLDERS				
IN THOUSANDS OF EUROS	AS OF 1 JANUARY 2024	PROFIT FOR THE PERIOD	OTHER COMPREHENSIVE INCOME/(LOSS)	TOTAL PROFIT (LOSS) FOR THE PERIOD	ALLOCATION OF PROFITS	DISTRIBUTION OF DIVIDENDS	CANCELLATION OF TREASURY SHARES	PURCHASE OF TREASURY SHARES	AS OF 30 JUNE 2024
NOTES			39		38	38	38	38	
Share capital	207,614								207,614
Share premium reserve	7,171								7,171
Legal reserve	32,707				4,530				37,237
Reserve for measurement of financial instruments	(941)		1,017	1,017					76
IAS transition reserve	(21,314)								(21,314)
Group translation reserve	(49,945)		1,790	1,790					(48,155)
Treasury shares	(1,411)								(1,411)
Earnings reserve	195,508		655	655	13,891				210,054
Earnings for the period	46,757	52,110		52,110	(18,421)	(28,336)			52,110
Consolidated Group shareholders' equity	**416,146**	**52,110**	**3,462**	**55,572**	**0**	**(28,336)**	**0**	**0**	**443,382**
Share capital and reserves attributable to non-controlling interests	**(175)**		**16**	**16**					**(159)**
TOTAL SHAREHOLDERS' EQUITY	**415,971**	**52,110**	**3,478**	**55,588**	**0**	**(28,336)**	**0**	**0**	**443,223**

Movements from 1 January 2023 / 30 June 2023

					TRANSACTIONS WITH SHAREHOLDERS				
IN THOUSANDS OF EUROS	AS OF 1 JANUARY 2023	PROFIT FOR THE PERIOD	OTHER COMPREHENSIVE INCOME/(LOSS)	TOTAL PROFIT (LOSS) FOR THE PERIOD	ALLOCATION OF PROFITS	DISTRIBUTION OF DIVIDENDS	CANCELLATION OF TREASURY SHARES	PURCHASE OF TREASURY SHARES	AS OF 30 JUNE 2023
NOTES			39		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		(5,840)	(5,840)					(3,295)
IAS transition reserve	(15,525)						(5,789)		(21,314)
Group translation reserve	(43,488)		(2,818)	(2,818)					(46,306)
Treasury shares	(7,688)						7,688	(158)	(158)
Earnings reserve	183,705		67	67	15,475		(1,899)		197,348
Earnings for the period	54,689	64,788		64,788	(19,228)	(35,461)			64,788
Consolidated Group shareholders' equity	**417,977**	**64,788**	**(8,591)**	**56,197**	**0**	**(35,461)**	**0**	**(158)**	**438,555**
Share capital and reserves attributable to non-controlling interests	**(166)**		**(12)**	**(12)**					**(178)**
TOTAL SHAREHOLDERS' EQUITY	**417,811**	**64,788**	**(8,603)**	**56,185**	**0**	**(35,461)**	**0**	**(158)**	**438,377**

CONSOLIDATED STATEMENT OF CASH FLOWS

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

		1ST HALF OF 2024		1ST HALF OF 2023	
		TOTAL	of which related parties	TOTAL	of which related parties
NOTES	IN THOUSANDS OF EUROS				
	OPERATING ACTIVITIES				
	Net Profit (loss) for the period	52,110		64,788	
14	Income taxes	25,666		33,375	
8	Depreciation of property, plant and equipment	26,729		27,072	
8	Amortisation of intangible assets	37,791		40,903	
8	Depreciation of rights of use	5,158		5,603	
	Provisions for risks and retirement funds and employee benefits	12,308		16,238	
10	Impairment/(Reinstatements)	1,338		2,208	
	Losses/(Gains) on the disposal of property, plant and equipment	(690)		(2,187)	
13	Financial income	(1,003)		(1,309)	
13	Dividend income	(34)		0	
13	Financial costs	25,370		20,253	
9	Income from public grants	(2,578)		(2,808)	
12	Share of results of associates	667		(139)	
	Change in working capital:				
21	(Increase)/Decrease in trade receivables	(74,364)	(4)	(70,994)	(2)
22	(Increase)/Decrease in other receivables	6,092	73	945	(46)
20	(Increase)/Decrease in inventories	(42,148)		1,299	
25	Increase/(Decrease) in trade payables	101,768	1,020	(14,441)	1,983
30	Increase/(Decrease) in other payables	3,082	167	10,598	338
26	Increase/(Decrease) in provisions for risks	(5,476)		(5,899)	
28	Increase/(Decrease) in retirement funds and employee benefits	(4,952)		(5,795)	
	Other changes	12		(6,812)	
	Cash generated from operating activities	**166,846**		**112,898**	
	Interest paid	(21,353)		(15,519)	
	Taxes paid	(12,277)		(11,749)	
	CASH FLOW FROM OPERATING ACTIVITIES (A)	**133,216**		**85,630**	
	INVESTMENT ACTIVITIES				
17	Investment in property, plant and equipment	(25,974)		(21,027)	
	Proceeds from sales of property, plant and equipment	934		2,483	
16	Investment in intangible assets	(51,339)		(44,816)	
	Proceeds from sales of intangible assets	42		43	
	Public grants collected	772		466	
	Interest received	877		1,623	
	CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(74,688)**		**(61,228)**	
	FINANCING ACTIVITIES				
38	Purchase of treasury shares			(158)	
38	Outflow for dividends paid	(28,336)	(14,346)	(35,461)	(17,933)
35	Loans received	176,065		71,466	
35	Outflow for repayment of loans	(62,320)		(46,118)	
33	Changes in other financial assets	6,205			
35	Repayment of lease liabilities	(5,571)		(4,771)	
	CASH FLOW FROM FINANCING ACTIVITIES (C)	**86,043**		**(15,042)**	
	Increase/(Decrease) in cash and cash equivalents (A+B+C)	144,571		9,360	
	OPENING BALANCE	**179,148**		**242,552**	
	Exchange (losses)/gain on cash and cash equivalents	847		(2,184)	
	CLOSING BALANCE	**324,566**		**249,728**	

NOTES TO THE CONDENSED CONSOLIDATED INTERIM 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 has not changed compared to the Consolidated Financial Statements as of 31 December 2023 and 30 June 2023.

2. Compliance with International Accounting Standards

These Condensed consolidated interim financial statements have been prepared in compliance with IAS 34 - Interim Financial Reporting.
The Condensed Consolidated Interim Financial Statements must be read together with the Group's Consolidated Financial Statements as of 31 December 2023 (the Group's Annual Financial Statements), prepared in compliance with international accounting standards (IFRS), issued by the International Accounting Standards Board (IASB) and approved by the European Union, and in compliance with provisions established by Consob in Communication no. 6064293 of 28 July 2006.
During the drafting of these Condensed Consolidated Interim Financial Statements, the same accounting standards adopted in the drafting of the Group's Annual Financial Statements were applied, with the exception of the paragraph "New accounting standards, amendments and interpretations adopted from 1 January 2024".

The preparation of the consolidated interim financial statements requires management to make estimates and assumptions which have an impact on the values of revenues, costs, consolidated balance sheet assets and liabilities and on the information regarding contingent assets and liabilities at the reporting date. If these estimates and assumptions made by management based on the best valuations available at the reporting date, were to differ from actual circumstances, they would be changed as appropriate in the period in which the circumstances change. For a more detailed description of the most significant measurement methods of the Group, reference is made to the section "Use of estimates" of the Consolidated Financial Statements as of 31 December 2023.
Lastly, it should be noted that some assessment processes, in particular the most complex ones such as establishing any impairment of fixed assets, are generally undertaken in full only when preparing the annual 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.

These Condensed consolidated interim financial statements have been subject to a limited review by Deloitte & Touche S.p.A..

NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED FROM 1 JANUARY 2024

- On 23 January 2020, the IASB published '**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**' and on 31 October 2022 it published '**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**'. The purpose of these amendments is to clarify how to classify payables and other short-term or long-term liabilities. In addition, the amendments also improve the disclosures that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants).

- On 22 September 2022, the IASB published '**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 income or a loss that relates to the retained right of use.

- On 25 May 2023, the IASB published '**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 supplier finance arrangements 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 adoption of the new amendments did not give rise to any significant impacts on values or on financial disclosure.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

At the date of this document, the competent bodies of the European Union had not yet completed the approval process necessary for the application of the amendments and standards described below.

- On 15 August 2023, the IASB published '**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability**'. The document requires an entity to apply a consistent methodology for determining whether one currency can be translated into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendment will apply from 1 January 2025, but earlier application is permitted.

- On 9 April 2024, the IASB published a new standard **IFRS 18 Presentation and Disclosure in Financial Statements** that will replace IAS 1 Presentation of Financial Statements. The aim of the new standard is to improve the presentation of main parts of financial statements and introduce important amendments with reference to the income statement. In particular, the new standard has the following requirements:
  - the classification of revenues and costs into three new categories (operating, investing and financing), as well as the categories of taxes and discontinued assets already in the income statement;
  - two new sub-totals, operating income and profit before financing and taxes (i.e. EBIT).

  In addition, the new principle:
  - requires additional disclosure on the performance indicators defined by management;
  - introduces new criteria for the aggregation and disaggregation of information;
  - introduces some amendments to the statement of cash flows, including the requirement to use operating income as a starting point for the presentation of the statement of cash flows prepared using the indirect method and the elimination of some options to classify currently existing items (such as, for example, interest paid, interest received, dividends paid and dividends received).

  The new standard will come into force from 1 January 2027, but earlier application is permitted.

- On 30 May 2024, the IASB published '**Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7**'. The document clarifies some problematic aspects which emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary on the achievement of ESG objectives (i.e. green bonds). In particular, the purpose of the amendments is to:
  - clarify the classification of financial assets with variable returns related to environmental, social and corporate governance (ESG) objectives, and the criteria to use to assess the SPPI test;
  - determine that the settlement date of liabilities through electronic payment systems is the date when the liability is extinguished. However, an entity is permitted to adopt an accounting policy to eliminate a financial liability from the accounts before registering liquidity at the settlement date if certain, specific conditions are present.

  With these amendments, the IASB also introduced additional disclosure requirements concerning in particular investments in capital instruments designated at FVOCI.
  The amendments will apply for financial years commencing on or after 1 January 2026.

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.

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 28 JUNE 2024	AVERAGE EXCHANGE RATE 1ST HALF OF 2024	SPOT EXCHANGE RATE 31 DECEMBER 2023	AVERAGE EXCHANGE RATE 1ST HALF OF 2023
US Dollar	1.0705	1.08125	1.1050	1.08066
Pounds Sterling	0.84638	0.854647	0.86905	0.876377
Indian Rupee	89.2495	89.98621	91.9045	88.84427
Singapore Dollars	1.4513	1.45606	1.4591	1.44403
Chinese Yuan	7.7748	7.80111	7.8509	7.48943
Japanese Yen	171.94	164.46135	156.33	145.76039
Vietnamese Dong	27,250.00	26,981.06349	26,808.00	25,425.00
Indonesian Rupiah	17,487.21	17,205.14730	17,079.71	16,275.09142
Brazilian Real	5.8915	5.49221	5.3618	5.48269

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, relative 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 the relative geographic segment. Specifically:

- 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 main profit measure used by the Chief Operating Decision Maker to assess performance and allocate resources to the Group's operating segments, as well as to analyse operating trends, make analytical comparisons and benchmark performance between periods and between 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
Sales volumes (unit/000)	1st half of 2024	141.8	72.2	56.1	**270.1**
	1st half of 2023	164.1	71.1	89.4	**324.6**
	Change	(22.3)	1.1	(33.3)	**(54.4)**
	Change %	-13.6%	1.6%	-37.3%	**-16.8%**
Net revenues (million Euros)	1st half of 2024	679.4	169.6	141.3	**990.3**
	1st half of 2023	772.7	163.2	231.2	**1,167.2**
	Change	(93.3)	6.4	(89.9)	**(176.9)**
	Change %	-12.1%	3.9%	-38.9%	**-15.2%**
Cost to sell (million Euros)	1st half of 2024	473.8	133.4	88.2	**695.3**
	1st half of 2023	555.6	138.2	145.6	**839.4**
	Change	(81.8)	(4.9)	(57.4)	**(144.1)**
	Change %	-14.7%	-3.5%	-39.4%	**-17.2%**
Gross industrial margin (million Euros)	1st half of 2024	205.7	36.2	53.1	**295.0**
	1st half of 2023	217.2	25.0	85.6	**327.8**
	Change	(11.5)	11.2	(32.5)	**(32.8)**
	Change %	-5.3%	44.8%	-38.0%	**-10.0%**
Gross industrial margin on net revenues (%)	1st half of 2024	30.3%	21.4%	37.6%	**29.8%**
	1st half of 2023	28.1%	15.3%	37.0%	**28.1%**

C) INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

4. Net revenues — €/000 990,298

Revenues are shown net of premiums recognised to customers (dealers).
This item does not include transport costs, which are recharged to customers (€/000 25,671) and invoiced advertising cost recoveries (€/000 3,183), which are posted under other operating income.
The revenues for disposals of Group core business assets essentially refer to the marketing of vehicles and spare parts on European and non-European markets.

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

IN THOUSANDS OF EUROS	1ST HALF OF 2024		1ST HALF OF 2023		CHANGES	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
EMEA and Americas	679,429	68.6	772,714	66.2	(93,285)	-12.1
India	169,596	17.1	163,247	14.0	6,349	3.9
Asia Pacific 2W	141,273	14.3	231,215	19.8	(89,942)	-38.9
Total	**990,298**	**100.0**	**1,167,176**	**100.0**	**(176,878)**	**-15.2**
Two-wheelers	787,991	79.6	954,688	81.8	(166,697)	-17.5
Commercial Vehicles	202,307	20.4	212,488	18.2	(10,181)	-4.8
Total	**990,298**	**100.0**	**1,167,176**	**100.0**	**(176,878)**	**-15.2**

In the first half of 2024, net sales revenues recorded a 15.2% decrease compared to the same period in 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 — €/000 611,007

The reduction in costs for materials compared to the first half of 2023 is due to the decrease in production volumes, and to the costs of commodities. The item includes €/000 10,271 (€/000 15,506 in the first half of 2023) for purchases of scooters from the Chinese affiliate Zongshen Piaggio Foshan Motorcycle Co., that are sold on European and Asian markets.

The following table details the content of this item:

IN THOUSANDS OF EUROS	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
Raw, ancillary materials, consumables and goods	652,688	747,632	(94,944)
Change in inventories of raw, ancillary materials, consumables and goods	269	6,215	(5,946)
Change in work in progress of semi-finished and finished products	(41,950)	(9,413)	(32,537)
Total	**611,007**	**744,434**	**(133,427)**

6. Costs for services and use of third-party assets €/000 139,905

Below is a breakdown of this item:

IN THOUSANDS OF EUROS	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
Employee costs	7,489	8,115	(626)
External maintenance and cleaning costs	4,383	5,042	(659)
Energy and telephone costs	6,861	9,336	(2,475)
Postal expenses	371	384	(13)
Commissions payable	452	449	3
Advertising and promotion	18,751	20,488	(1,737)
Technical, legal and tax consultancy and services	15,144	13,063	2,081
Company boards operating costs	1,494	1,784	(290)
Insurance	2,869	2,608	261
Insurance from related parties	27	32	(5)
Outsourced manufacturing	19,436	21,733	(2,297)
Outsourced services	12,132	10,322	1,810
Transport costs (vehicles and spare parts)	24,340	29,075	(4,735)
Sundry commercial expenses	4,017	3,669	348
Expenses for public relations	1,409	1,370	39
Product warranty costs	1,084	1,186	(102)
Expenses for quality-related events	848	679	169
Bank costs and factoring charges	3,695	3,959	(264)
Other services	5,720	7,848	(2,128)
Services from related parties	611	692	(81)
Cost for use of third-party assets	8,731	8,632	99
Cost for use of related parties assets	41	47	(6)
Total	**139,905**	**150,513**	**(10,608)**

Costs for services and use of third-party assets decreased by €/000 10,608 compared to the first half of 2023.
The item includes costs for temporary work of €/000 429.

7. Employee costs €/000 141,095

Employee costs include €/000 1,190 relating to costs for redundancy plans for the Pontedera and Noale production sites and for some European selling agencies.

IN THOUSANDS OF EUROS	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
Salaries and wages	107,261	108,153	(892)
Social security contributions	27,421	26,429	992
Termination benefits	4,276	4,575	(299)
Other costs	2,137	2,730	(593)
Total	**141,095**	**141,887**	**(792)**

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

LEVEL	AVERAGE NUMBER 1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
Senior management	117.8	115.3	2.5
Middle management	685.0	684.0	1.0
White collars	1,626.0	1,638.7	(12.7)
Blue collars	3,835.0	3,979.3	(144.3)
Total	**6,263.8**	**6,417.3**	**(153.5)**

Average employee numbers is affected by seasonal workers in the summer (on fixed-term employment contracts).
In fact the Group uses fixed-term employment contracts to handle typical peaks in demand in the summer months.

	NUMBER AS OF 30 JUNE 2024	31 DECEMBER 2023	CHANGE
Senior management	119	112	7
Middle management	675	692	(17)
White collars	1,633	1,627	6
Blue collars	3,779	3,494	285
Total	**6,206**	**5,925**	**281**
EMEA and Americas	3,600	3,278	322
India	1,462	1,442	20
Asia Pacific 2W	1,144	1,205	(61)
Total	**6,206**	**5,925**	**281**

Changes in employee numbers in the two periods are compared below:

LEVEL	AS OF 31.12.23	INCOMING	LEAVERS	RELOCATIONS	AS OF 30.06.24
Senior management	112	6	(2)	3	119
Middle management	692	31	(55)	7	675
White collars	1,627	123	(110)	(7)	1,633
Blue collars	3,494	1,099	(811)	(3)	3,779
Total	**5,925**	**1,259**	**(978)**	**0**	**6,206**

8. Amortisation/depreciation and impairment costs €/000 69,678

Amortisation and depreciation for the period, divided by category, is shown below:

IN THOUSANDS OF EUROS	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
PROPERTY, PLANT AND EQUIPMENT			
Buildings	2,930	2,645	285
Plant and machinery	10,929	11,200	(271)
Industrial and commercial equipment	7,832	8,199	(367)
Other assets	5,038	5,028	10
Total depreciation of property, plant and equipment	**26,729**	**27,072**	**(343)**
Impairment of property, plant and equipment			0
Total depreciation of property, plant and equipment and impairment costs	**26,729**	**27,072**	**(343)**

IN THOUSANDS OF EUROS	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
INTANGIBLE ASSETS			
Development costs	15,492	17,140	(1,648)
Industrial Patent and Intellectual Property Rights	22,137	23,624	(1,487)
Concessions, licences, trademarks and similar rights	33	33	0
Other	129	106	23
Total amortisation of intangible assets	**37,791**	**40,903**	**(3,112)**
Impairment of intangible assets			0
Total amortisation of intangible assets and impairment costs	**37,791**	**40,903**	**(3,112)**

IN THOUSANDS OF EUROS	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
RIGHTS OF USE			
Land	90	95	(5)
Buildings	3,559	4,049	(490)
Plant and machinery	428	428	0
Industrial and commercial equipment	207	212	(5)
Other assets	874	819	55
Total depreciation of rights of use	**5,158**	**5,603**	**(445)**

9. Other operating income €/000 89,717

This item consists of:

IN THOUSANDS OF EUROS	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
Operating grants	2,578	2,808	(230)
Increases in fixed assets for internal work	33,650	28,237	5,413
Rents	2,258	1,372	886
Capital gains on the disposal of assets	725	2,188	(1,463)
Sale of miscellaneous materials	623	511	112
Recovery of transport costs	25,671	28,549	(2,878)
Commercial costs recovery	3,183	2,888	295
Recovery of sundry costs	2,567	2,286	281
Sundry damage reimbursement	414	419	(5)
Compensation for quality-related events	205	541	(336)
Licence rights and know-how	1,157	1,107	50
Sponsorships	3,267	2,991	276
Other Group income	155	202	(47)
Other income	13,264	6,520	6,744
Total	**89,717**	**80,619**	**9,098**

The item “Operating grants” includes €/000 1,893 for government and community grants for research projects and investments in tangible assets, and €/000 685 for export subsidies received by the Indian affiliate. The former are recognised in profit or loss, strictly relating to the amortisation and depreciation of capitalised costs for which they were received.
The item “sponsorships” refers to the activities of the Aprilia Racing team.

10. Impairment of trade and other receivables, net — €/000 (1,338)

This item consists of:

IN THOUSANDS OF EUROS	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
Write-backs	1,113	9	1,104
Losses on receivables	(1,113)	(27)	(1,086)
Impairment of receivables in working capital	(1,338)	(2,208)	870
Total	**(1,338)**	**(2,226)**	**888**

11. Other operating costs — €/000 12,898

This item consists of:

IN THOUSANDS OF EUROS	1ST HALF OF 2024	1ST HALF OF 2023	CHANGE
Provision for risks	1,018	4,172	(3,154)
Provisions for product warranties	6,537	6,972	(435)
Duties and taxes not on income	2,360	2,936	(576)
Miscellaneous membership contributions	847	820	27
Capital losses from disposal of assets	35	1	34
Miscellaneous expenses	1,689	2,044	(355)
Costs for ETS certificates	412	632	(220)
Total sundry operating costs	*5,343*	*6,433*	*(1,090)*
Total	**12,898**	**17,577**	**(4,679)**

The final decrease in the half year is mainly related to lower provisions for risks.

12. Results of associates - Income/(losses) — €/000 (633)

Income/loss from investments is due to charges arising from the portion of the result attributable to the Group from the joint-venture Zongshen Piaggio Foshan Motorcycle Co. Ltd (€/000 -681) only partially offset by income from the equity measurement of the associate Pontedera & Tecnolologia S.c.a.r.l. (€/000 14), as well as dividends approved by the company ECOFOR Service S.p.A. (€/000 34).

13. Net financial income (financial costs) — €/000 (25,685)

The balance of financial income (financial costs) from the first half of 2024 was negative by €/000 25,685 (€/000 19,556 in the first six months of the previous year). This poorer performance is mainly due to higher interest rates on debt, chiefly related to the issue of the new debenture loan in October 2023, intensified by the negative impact of currency management.

14. Income taxes — €/000 25,666

Income taxes for the period, determined based on IAS 34, was estimated by applying a rate of 33% to profit before tax, equivalent to the best estimate of the weighted average rate predicted for the financial year.

15. Earnings per share

Earnings per share are calculated as follows:

		1ST HALF OF 2024	1ST HALF OF 2023
Net profit	€/000	52,110	64,788
Earnings attributable to ordinary shares	€/000	52,110	64,788
Average number of ordinary shares in circulation		354,205,888	354,615,597
Earnings per ordinary share	€	0.147	0.183
Adjusted average number of ordinary shares		354,205,888	354,615,597
Diluted earnings per ordinary share	€	0.147	0.183

D) INFORMATION ON OPERATING ASSETS AND LIABILITIES

16. Intangible assets €/000 768,596

Intangible assets went up overall by €/000 14,454 mainly due to investments for the period which were only partially balanced by amortisation for the period.
Increases are mainly related to the capitalisation of development expenditure and know how for new products (including the new Porter NP6 which will also be available in an electric version) and with new engines (to align with EURO5+ standards), as well as the purchase of software.
During the first half of 2024, financial costs for €/000 2,790 were capitalised.

The table below shows the breakdown of intangible assets as of 30 June 2024, as well as changes during the period.

IN THOUSANDS OF EUROS	SITUATION AS OF 31.12.2023	MOVEMENTS FOR THE PERIOD						SITUATION AS OF 30.06.2024
	NET VALUE	INVESTMENTS	TRANSITIONS IN THE PERIOD	AMORTISATION	DISPOSALS	EXCHANGE DIFFERENCES	OTHER	NET VALUE
Development costs	**117,578**	**22,065**	**0**	**(15,492)**	**(36)**	**489**	**0**	**124,604**
In service	57,912	3,506	19,613	(15,492)	0	261	0	65,800
Assets under development and advances	59,666	18,559	(19,613)	0	(36)	228	0	58,804
Patent rights/KH	**158,686**	**29,218**	**0**	**(22,137)**	**(6)**	**20**	**736**	**166,517**
In service	72,915	5,553	26,485	(22,137)	(6)	4	12	82,826
Assets under development and advances	85,771	23,665	(26,485)	0	0	16	724	83,691
Trademarks	**29,346**	**0**	**0**	**(33)**	**0**	**0**	**0**	**29,313**
In service	29,346	0	0	(33)	0	0	0	29,313
Goodwill	**446,940**	**0**	**0**	**0**	**0**	**0**	**0**	**446,940**
In service	446,940	0	0	0	0	0	0	446,940
Other	**1,592**	**56**	**0**	**(129)**	**0**	**1**	**(298)**	**1,222**
In service	493	46	400	(129)	0	(1)	413	1,222
Assets under development and advances	1,099	10	(400)	0	0	2	(711)	0
Total	**754,142**	**51,339**	**0**	**(37,791)**	**(42)**	**510**	**438**	**768,596**
In service	607,606	9,105	46,498	(37,791)	(6)	264	425	626,101
Assets under development and advances	146,536	42,234	(46,498)	0	(36)	246	13	142,495

Development costs include costs for products and engines referable to projects for which, as regards the period of the useful life of the asset, revenues are expected that allow for at least the costs incurred to be recovered. Assets under development refer to costs for which conditions for capitalisation apply, but that refer to products that will go into production in subsequent years.
Financial costs attributable to the development of products which require a considerable period of time to be realised are capitalised as a part of the cost of the actual assets. Development costs included under this item are amortised on a straight line basis over a period of 3 to 5 years, in consideration of their remaining useful life.
In the first half of 2024, development costs amounting to €/000 10,412 were carried as expenses directly in the income statement.

The item Patent rights comprises software for €/000 24,796.
Increases for the period mainly refer to new calculation, design and production techniques and methodologies developed by the Group, referring to main new products in the 2024-2025 range.
Costs for industrial patent and intellectual property rights are amortised on a straight line basis over a period of 3 to 5 years, in consideration of their remaining useful life.

The item Concessions, Licences, Trademarks and similar rights, is broken down as follows:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
Moto Guzzi trademark	9,750	9,750	0
Aprilia trademark	19,158	19,158	0
Minor trademarks	3	5	(2)
Foton licence	402	433	(31)
Total	**29,313**	**29,346**	**(33)**

The Moto Guzzi and Aprilia trademarks, as they have had an indefinite useful life since 2021, are no longer amortised, but are tested for impairment annually or frequently, if specific events take place or changed circumstances indicate that the asset may have been affected by impairment, to identify impairment as provided for by IAS 36 "Impairment of Assets".
The Foton licence is amortised over a ten-year period, up until 2031.

Goodwill derives from the greater value paid compared to the corresponding portion of the subsidiaries shareholders' equity at the time of purchase, less the related accumulated amortisation until 31 December 2003.
Goodwill was attributed to cash generating units.

IN THOUSANDS OF EUROS	EMEA AND AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
30 06 2024	305,311	109,695	31,934	446,940
31 12 2023	305,311	109,695	31,934	446,940

The organisational structure of the Group is based on 3 Geographic Segments (CGUs), involved in the production and sale of vehicles, relative spare parts and assistance in areas under their responsibility: EMEA and Americas, India and Asia Pacific 2W. Each Geographic Segment has production sites and a sales network dedicated to customers in the relative geographic segment. Central structures and development activities currently dealt with by EMEA and Americas, are handled by individual CGUs.
Goodwill cannot be amortised, but is tested for impairment annually or frequently, if specific events take place or changed circumstances indicate that the asset may have been affected by impairment, to identify impairment as provided for by IAS 36 - Impairment of Assets.
The possibility of reinstating booked values is verified by comparing the net carrying amount of individual cash generating units with the recoverable value (value in use). This recoverable value is represented by the present value of future cash flows which, it is estimated, will be derived from the continual use of goods referring to cash generating units and by the terminal value attributable to these goods.
The recoverability of goodwill is verified at least once per year (as of 31 December), even in the absence of indicators of impairment losses.
Moreover, the Piaggio Group has always paid considerable attention to sustainable mobility and to protecting all ESG-related (Environmental, Social and Governance) matters, and during 2023 presented a Decarbonisation Plan with a time horizon at 2030 and at 2050. For several years now, Piaggio has implemented internal processes to analyse and evaluate the short and medium/long term risks and opportunities related to climate change and a reduction in polluting emissions. Therefore, in preparing the 2024 budget and 2025-2027 plan, and in processing the accounting estimates for them, Management considered the impacts of the following aspects on investments, costs and cash flows:
- research into new technologies, thinking about future mobility from a new urbanisation perspective;
- a significant increase in investments in electric vehicles (2-, 3-, 4-Wheelers);
- investments for the active and passive safety of all vehicles;
- energy transition costs (energy and raw material costs) roughly in line over the plan period with the costs incurred in 2023 and not prudently transferred to revenues;
- stated objectives in the Decarbonisation Plan, with particular reference to initiatives aimed at reducing emissions by 2030, as described in more detail in the 2023 Non-Financial Statement.

The Directors, while considering the plan approved on 23 February 2024 and the impairment test performed for the financial statements 2023 as valid, based on the performance of the 1st half of 2024, prepared an update to the stress test on the recoverability of Goodwill. The sensitivity analyses were prepared by applying on a constant basis to the plan's flows (July 2024 – December 2027) the deviations identified in the first half and maintaining the WACC discount rate, differentiated by the CGU and the growth rate "g" used at 31 December 2023 unchanged, as they were consistent with information that may currently be observed on the market. These analyses did not identify impairment losses, also considering the breadth of cover existing at 31 December 2023. In particular, the sensitivity analyses did not identify impairment losses on any of the CGU and in all stages processed, the value in use of the Group was higher than the net carrying amount tested.

The item "Other" mainly includes the capitalisation of expenditure to update the SAP management programme of the Chinese affiliate.
This also includes €/000 441 for ETS certificates already in the portfolio.

17. Property, plant and equipment €/000 287,286

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 Djakarta (Indonesia).
Property, plant and equipment went down overall by €/000 224 mainly due to depreciation for the period which was only partially balanced by investments for the period and positive impact of exchange rates.
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. During the first half of 2024, financial costs for €/000 338 were capitalised.

The table below shows the breakdown of property, plant and equipment as of 30 June 2024, as well as changes during the period.

IN THOUSANDS OF EUROS	SITUATION AS OF 31.12.2023	MOVEMENTS FOR THE PERIOD					SITUATION AS OF 30.06.2024
	NET VALUE	INVESTMENTS	TRANSITIONS IN THE PERIOD	DEPRECIATION	DISPOSALS	EXCHANGE DIFFERENCES	NET VALUE
Land	**36,899**	**160**	**0**	**0**	**(24)**	**(215)**	**36,820**
In service	36,899	160	0	0	(24)	(215)	36,820
Buildings	**87,251**	**4,746**	**0**	**(2,930)**	**(130)**	**97**	**89,034**
In service	83,781	25	1,465	(2,930)	(130)	74	82,285
Assets under construction and advances	3,470	4,721	(1,465)	0	0	23	6,749
Plant and machinery	**113,770**	**9,239**	**0**	**(10,929)**	**(57)**	**866**	**112,889**
In service	89,295	643	16,537	(10,929)	(4)	570	96,112
Assets under construction and advances	24,475	8,596	(16,537)	0	(53)	296	16,777
Equipment	**34,743**	**6,127**	**0**	**(7,832)**	**0**	**(19)**	**33,019**
In service	28,259	2,323	4,397	(7,832)	0	(18)	27,129
Assets under construction and advances	6,484	3,804	(4,397)	0	0	(1)	5,890
Other assets	**14,847**	**5,702**	**0**	**(5,038)**	**(33)**	**46**	**15,524**
In service	12,049	5,042	1,934	(5,038)	(7)	45	14,025
Assets under construction and advances	2,798	660	(1,934)	0	(26)	1	1,499
Total	**287,510**	**25,974**	**0**	**(26,729)**	**(244)**	**775**	**287,286**
In service	250,283	8,193	24,333	(26,729)	(165)	456	256,371
Assets under construction and advances	37,227	17,781	(24,333)	0	(79)	319	30,915

18. Rights of use €/000 36,251

This note provides information on lease agreements as lessee. The Group has not entered into lease agreements as lessor.
The item "Rights of use" includes operating lease agreements, finance lease agreements and lease instalments paid in advance for the use of property.
The Group has stipulated rental/hire contracts for offices, plants, warehouses, company accommodation, cars and forklift trucks. The rental/lease agreements are typically for a fixed duration, but extension options are possible. These agreements may also include service components.
The Group opted to include only the component relative to the rental/hire payment in the recognition of rights of use.
The rental/hire agreements do not have any covenants to be met, nor require guarantees to be provided in favour of the lessor.

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024				AS OF 31 DECEMBER 2023				
	OPERATING LEASES	FINANCE LEASES	RENTAL/ HIRE PAYMENTS MADE IN ADVANCE	TOTAL	OPERA-TING LEASES	FINANCE LEASES	RENTAL/ HIRE PAYMENTS MADE IN ADVANCE	TOTAL	CHANGE
Land			6,369	6,369			6,476	6,476	(107)
Buildings	19,059		70	19,129	18,951		64	19,015	114
Plant and machinery		5,991		5,991		6,419		6,419	(428)
Equipment	998			998	1,205			1,205	(207)
Other assets	3,764			3,764	3,746	5		3,751	13
Total	**23,821**	**5,991**	**6,439**	**36,251**	**23,902**	**6,424**	**6,540**	**36,866**	**(615)**

IN THOUSANDS OF EUROS	LAND	BUILDINGS	PLANT AND MACHINERY	EQUIPMENT	OTHER ASSETS	TOTAL
Situation as of 31 12 2023	**6,476**	**19,015**	**6,419**	**1,205**	**3,751**	**36,866**
Increases		3,642			885	4,527
Depreciation	(90)	(3,559)	(428)	(207)	(874)	(5,158)
Decreases		(251)			(1)	(252)
Exchange differences	(17)	282			3	268
Movements for the period	**(107)**	**114**	**(428)**	**(207)**	**13**	**(615)**
Situation as of 30 06 2024	**6,369**	**19,129**	**5,991**	**998**	**3,764**	**36,251**

Future lease rental commitments are detailed in note 35.

19. Deferred tax assets €/000 58,920

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;
- the tax rate in effect in the year when temporary differences occur.

Deferred tax assets arising from the carry forward of tax losses have been recognised on the basis of the foreseeable recovery of the benefit deriving from the availability of sufficient future taxable income, resulting from the most recent forecasts, against which these losses may be used; in some cases, it was decided not to fully recognise the tax benefits arising from the carry forward of losses. As regards the Italian companies of the Piaggio Group, it should be noted that they are part of the National Consolidated Tax Convention governed by Articles 117 and following of the Consolidated Income Tax Act as consolidated companies.

20. Inventories €/000 370,165

This item comprises:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
Raw materials and consumables	191,765	180,033	11,732
Provision for write-down	(18,518)	(16,592)	(1,926)
Net value	*173,247*	*163,441*	*9,806*
Work in progress and semi-finished products	15,285	26,693	(11,408)
Provision for write-down	(1,674)	(1,933)	259
Net value	*13,611*	*24,760*	*(11,149)*
Finished products and goods	202,688	160,180	42,508
Provision for write-down	(19,514)	(20,506)	992
Net value	*183,174*	*139,674*	*43,500*
Advances	133	142	(9)
Total	**370,165**	**328,017**	**42,148**

To deal with possible component shortages, if the situation in the Red Sea were to get worse, the Group has decided to increase its stock levels.

21. Trade receivables (current and non-current) €/000 132,789

As of 30 June 2024 and 31 December 2023, there were no trade receivables in non-current assets. Current trade receivables are broken down as follows:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
Trade receivables due from customers	132,391	58,484	73,907
Trade receivables due from JV	394	385	9
Trade receivables due from parent companies	-	9	(9)
Trade receivables due from associates	4	-	4
Total	**132,789**	**58,878**	**73,911**

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 34,154.
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 June 2024, trade receivables still due sold without recourse totalled €/000 216,114.
Of these amounts, Piaggio received payment prior to natural expiry of €/000 184,934.
As of 30 June 2024, advance payments received from factoring companies and banks, for trade receivables sold with recourse totalled €/000 21,390 with a counter entry recorded in current liabilities.

22. Other receivables (current and non-current) €/000 98,161

They consist of:

	AS OF 30 JUNE 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
Receivables due from parent companies	33,171		33,171	33,255		33,255	(84)	0	(84)
Receivables due from JV	604		604	586		586	18	0	18
Receivables due from associates	11		11	18		18	(7)	0	(7)
Accrued income	2,019		2,019	596		596	1,423	0	1,423
Deferred charges	12,954	8,726	21,680	10,799	9,424	20,223	2,155	(698)	1,457
Advance payments to suppliers	1,036	1	1,037	1,067	1	1,068	(31)	0	(31)
Advances to employees	484	24	508	1,809	24	1,833	(1,325)	0	(1,325)
Fair value of hedging derivatives	2,226	237	2,463	4,573	168	4,741	(2,347)	69	(2,278)
Security deposits	173	1,214	1,387	285	1,151	1,436	(112)	63	(49)
Receivables due from others	25,843	9,438	35,281	33,891	7,491	41,382	(8,048)	1,947	(6,101)
Total	**78,521**	**19,640**	**98,161**	**86,879**	**18,259**	**105,138**	**(8,358)**	**1,381**	**(6,977)**

Receivables due from associates regard amounts due from Immsi Audit.
Receivables due from Parent Companies refer chiefly 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 hedging transactions on exchange risk on forecast transactions recognised on a cash flow hedge basis (€/000 1,865 current portion), the fair value of an interest rate swap for hedging, recognised on a cash flow hedge basis (€/000 237 non-current portion and €/000 250 current portion), and the fair value of derivatives to hedge commodities risk recognised on a cash flow hedge basis (€/000 111 current portion).
The item Receivables due from others includes:

- €/000 4,054 (€/000 5,254 as of 31 December 2023) related 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 amortisation of activities for which the subsidy was granted. The recognition of these amounts is supported by adequate documentation received from the Indian Government, which certifies the recognition of the right and therefore the reasonable certainty of collection;
- €/000 16,616 (€/000 17,838 as of 31 December 2023), for the credit accrued by the Indian affiliate for the reimbursement of the eco-incentive on electric vehicles recognised directly by the manufacturer to the end customer, with payment not yet authorised by the competent authorities. The incentive scheme for electric mobility currently in place in India envisages that the end customer benefits from the contribution at the time of purchase and that the same contribution is recovered by the manufacturer upon presentation of the necessary documentation to the Ministry.

23. Tax receivables (current and non-current) €/000 28,596

Receivables due from tax authorities consist of:

	AS OF 30 JUNE 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
VAT	10,769	281	11,050	8,543	283	8,826	2,226	(2)	2,224
Income tax	4,133	7,082	11,215	6,207	6,073	12,280	(2,074)	1,009	(1,065)
Others	5,094	1,237	6,331	4,105	3,322	7,427	989	(2,085)	(1,096)
Total	**19,996**	**8,600**	**28,596**	**18,855**	**9,678**	**28,533**	**1,141**	**(1,078)**	**63**

24. Receivables due after 5 years — €/000 0

As of 30 June 2024, there were no receivables due after 5 years.

25. Trade payables (current and non-current) — €/000 720,771

As of 30 June 2024 and as of 31 December 2023 no trade payables were recorded under non-current liabilities. Trade payables recorded as current liabilities are broken down as follows:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
Amounts due to suppliers	713,380	612,632	100,748
Trade payables to JV	7,326	5,982	1,344
Trade payables due to associates	7	50	(43)
Trade payables due to parent companies	58	339	(281)
Total	**720,771**	**619,003**	**101,768**
Of which indirect factoring	*282,623*	*256,318*	*26,305*

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 liabilities.
As of 30 June 2024, the value of trade payables covered by reverse factoring or supply chain financing agreements was equal to €/000 282,623 (€/000 256,318 as of 31 December 2023).

26. Provisions (current and non-current portion) — €/000 35,713

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

IN THOUSANDS OF EUROS	BALANCE AS OF 31 DECEMBER 2023	ALLOCATIONS	UTILIZATIONS	EXCHANGE DIFFERENCES	BALANCE AS OF 30 JUNE 2024
Provision for product warranties	20,542	6,537	(4,900)	40	22,219
Provision for contractual risks	8,941	1,020		30	9,991
Risk provision for legal disputes	2,382		(570)	3	1,815
Provision for ETS certificates	486	412			898
Other provisions for risks	785		(6)	11	790
Total	**33,136**	**7,969**	**(5,476)**	**84**	**35,713**

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

	AS OF 30 JUNE 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
Provision for product warranties	14,132	8,087	22,219	12,990	7,552	20,542	1,142	535	1,677
Provisions for contractual risks	973	9,018	9,991	941	8,000	8,941	32	1,018	1,050
Risk provision for legal disputes	94	1,721	1,815	661	1,721	2,382	(567)	0	(567)
Provision for ETS certificates	486	412	898	486	-	486	0	412	412
Other provisions for risks	372	418	790	367	418	785	5	0	5
Total	**16,057**	**19,656**	**35,713**	**15,445**	**17,691**	**33,136**	**612**	**1,965**	**2,577**

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 6,537 and was used for €/000 4,900 in relation to charges incurred during the period.
Provisions for contractual risks refers to charges which could arise from a supply contract.
The risk provision for legal disputes concerns labour litigation and other legal proceedings.
Other provisions for risks include the best estimate of probable liabilities made by management at the reporting date.

27. Deferred tax liabilities — €/000 5,879

Deferred tax liabilities amount to €/000 5,879 compared to €/000 7,087 as of 31 December 2023.

28. Retirement funds and employee benefits — €/000 24,314

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
Retirement funds	978	915	63
Termination benefits provision	23,336	24,307	(971)
Total	**24,314**	**25,222**	**(908)**

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.
The economic/technical assumptions used by Group companies operating in Italy to discount the value are shown in the table below:

Technical annual discount rate	3.49%
Annual rate of inflation	2.00%
Annual rate of increase in termination benefits	3.00%

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 June 2024 would have been lower by €/000 490.
The table below shows the effects, in absolute terms, as of 30 June 2024, which would have occurred following changes in reasonably possible actuarial assumptions:

IN THOUSANDS OF EUROS	PROVISION FOR TERMINATION BENEFITS
Turnover rate +2%	23,537
Turnover rate -2%	23,104
Inflation rate +0.25%	23,620
Inflation rate - 0.25%	23,056
Discount rate +0.50%	22,472
Discount rate -0.50%	24,251

The average financial duration of the bond ranges from 8 to 24 years.
Estimated future amounts are equal to:

IN THOUSANDS OF EUROS	
YEAR	FUTURE AMOUNTS
1	1,848
2	1,240
3	783
4	1,935
5	1,751

The affiliates operating in Germany and Indonesia have provisions for employees identified as defined benefit plans. As of 30 June 2024, these provisions amounted to €/000 77 and €/000 477 respectively.

29. Tax payables (current and non-current) €/000 18,079

Non-current tax payables were not recognised in either period.
"Current tax payables" break down as follows:

	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
IN THOUSANDS OF EUROS			
Due for income tax	9,117	6,880	2,237
Due for non-income tax	83	122	(39)
Tax payables for:			
. VAT	2,881	951	1,930
. Tax withheld at source	4,797	5,214	(417)
. Others	1,201	745	456
Total	8,879	6,910	1,969
Total	**18,079**	**13,912**	**4,167**

The item includes tax payables recorded in the financial statements of individual consolidated companies, set aside in relation to tax charges for the individual companies on the basis of applicable national laws.
Payables for withheld taxes made refer mainly to withheld taxes on employees' earnings, on employment termination payments and on self-employed earnings.

30. Other payables (current and non-current) €/000 132,741

This item comprises:

	AS OF 30 JUNE 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
To employees	37,554	487	38,041	25,244	473	25,717	12,310	14	12,324
Guarantee deposits		4,668	4,668		4,414	4,414	-	254	254
Accrued expenses	9,918		9,918	7,831		7,831	2,087	-	2,087
Deferred income	10,913	7,131	18,044	9,707	7,377	17,084	1,206	(246)	960
Amounts due to social security institutions	6,304		6,304	8,401		8,401	(2,097)	-	(2,097)
Fair value of derivatives	2,293		2,293	5,927	52	5,979	(3,634)	(52)	(3,686)
To associates	48		48	111		111	(63)	-	(63)
To parent companies	43,905		43,905	43,675		43,675	230	-	230
Others	9,446	74	9,520	16,371	76	16,447	(6,925)	(2)	(6,927)
Total	**120,381**	**12,360**	**132,741**	**117,267**	**12,392**	**129,659**	**3,114**	**(32)**	**3,082**

Amounts due to employees include the amount for holidays accrued but not taken of €/000 17,499 and other payments to be made for €/000 20,542.
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 hedging transactions on exchange risk on forecast transactions recognised on a cash flow hedge basis (€/000 2,096 current portion), and the fair value derivatives to hedge commodities risk recognised on a cash flow hedge basis (€/000 197 current portion).
The item Accrued expenses includes €/000 80 for interest on hedging derivatives and relative hedged items measured at fair value.
The item Deferred income includes €/000 4,976 (€/000 5,248 at 31 December 2023) recognised by the Indian affiliate related to a deferred subsidy from the local Government for investments made in previous years, for the part not yet depreciated. For further details, see Note 22 “Other receivables”.

31. Payables due after 5 years

The Group has loans due after 5 years, which are referred to in detail in Note 35 “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

32. Investments €/000 7,904

The Investments heading comprises:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
Interests in joint ventures	7,668	8,262	(594)
Investments in associates	236	222	14
Total	**7,904**	**8,484**	**(580)**

The value of interests in joints ventures and investments in associates was adjusted during the period to the corresponding value of shareholders' equity.
The table below summarises main financial data of the joint venture:

IN THOUSANDS OF EUROS	ACCOUNTS AS OF 30 JUNE 2024		ACCOUNTS AS OF 31 DECEMBER 2023	
ZONGSHEN PIAGGIO FOSHAN MOTORCYCLE CO.				
		45% *		45% *
Intangible assets	344	155	377	169
Property, plant and equipment	6,528	2,938	7,441	3,349
Rights of use	2,490	1,121	2,526	1,137
Trade receivables	8,546	3,846	7,044	3,170
Other receivables	2,404	1,082	2,315	1,042
Tax receivables	119	53	343	154
Inventories	5,774	2,598	8,440	3,798
Cash and cash equivalents	2,287	1,029	2,745	1,235
TOTAL ASSETS	**28,492**	**12,822**	**31,232**	**14,054**
Shareholders' equity	**18,669**	**8,401**	**20,334**	**9,150**
Financial liabilities	3,859	1,737	4,567	2,055
Trade payables	4,904	2,207	5,419	2,438
Other provisions	284	128	281	127
Retirement funds and employee benefits	193	87	298	134
Tax payables	101	45	196	88
Other payables	482	217	136	61
Total liabilities	**9,823**	**4,421**	**10,898**	**4,904**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**28,492**	**12,822**	**31,232**	**14,054**
(*) percentage Group ownership				
Shareholders' equity attributable to the Group		8,401		9,150
Elimination of margins on internal transactions		(733)		(888)
Value of the investment		**7,668**		**8,262**

IN THOUSANDS OF EUROS	
RECONCILIATION OF SHAREHOLDERS' EQUITY	
Opening balance as of 1 January 2024	**8,262**
Profit (Loss) for the period	(836)
Statement of Comprehensive Income	87
Elimination of margins on internal transactions	155
Closing balance as of 30 June 2024	**7,668**

Investments in associates €/000 236

This item comprises:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2023	ADJUSTMENT	AS OF 30 JUNE 2024
ASSOCIATES			
Immsi Audit S.c.a r.l.	10		10
S.A.T. S.A. – Tunisia	0		0
Depuradora D'Aigues de Martorelles	28		28
Pontedera & Tecnologia S.c.a r.l.	184	14	198
Total associates	**222**	**14**	**236**

The change refers to the equity measurement of the investment in Pontedera & Tecnologia S.c.a r.l..

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

This item comprises:

	AS OF 30 JUNE 2024			AS OF 31 DECEMBER 2023			CHANGE		
IN THOUSANDS OF EUROS	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Financial assets			0	6,205		6,205	(6,205)	0	(6,205)
Investments in other companies		16	16		16	16	0	0	0
Total	**0**	**16**	**16**	**6,205**	**16**	**6,221**	**(6,205)**	**0**	**(6,205)**

The breakdown of the item “Investments in other companies” is shown in the table below:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
OTHER COMPANIES:			
A.N.C.M.A. – Rome	2	2	0
ECOFOR SERVICE S.p.A. – Pontedera	2	2	0
Consorzio Fiat Media Center – Turin	3	3	0
S.C.P.S.T.V.	0	0	0
IVM	9	9	0
Total other companies	**16**	**16**	**0**

34. Cash and cash equivalents €/000 324,582

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

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
Bank and postal deposits	324,515	181,645	142,870
Cash on hand	67	47	20
Total	**324,582**	**181,692**	**142,890**

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.

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 30 JUNE 2023	CHANGE
Liquidity	324,582	249,728	74,854
Current account overdrafts	(16)		(16)
Closing balance	**324,566**	**249,728**	**74,838**

35. Financial liabilities and financial liabilities for rights of use (current and non-current) €/000 732,546

During the first half of 2024, the Group's total debt increased by €/000 110,616. Net of the change in financial liabilities for rights of use as of 30 June 2024, the Group's total debt increased by €/000 110,997.

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Financial liabilities	179,319	523,607	702,926	124,876	467,053	591,929	54,443	56,554	110,997
Financial liabilities for rights of use	9,193	20,427	29,620	10,336	19,665	30,001	(1,143)	762	(381)
Total	**188,512**	**544,034**	**732,546**	**135,212**	**486,718**	**621,930**	**53,300**	**57,316**	**110,616**

Net financial debt of the Group amounted to €/000 407,964 as of 30 June 2024 compared to €/000 434,033 as of 31 December 2023.

The statement with a detailed breakdown of the composition of "Net Financial Debt" as of 30 June 2024 prepared in compliance with section 175 and following of ESMA/2021/32/382/1138 recommendations is presented below.

CONSOLIDATED STATEMENT OF INDEBTEDNESS[19]

IN THOUSANDS OF EUROS		AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023	CHANGE
A	**Cash**	**324,582**	**181,692**	**142,890**
B	**Cash equivalents**			**0**
C	**Other current financial assets**		**6,205**	**(6,205)**
D	**Liquidity (A + B + C)**	**324,582**	**187,897**	**136,685**
E	**Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)**	**(116,689)**	**(68,634)**	**(48,055)**
	Payables due to banks	(86,035)	(50,275)	(35,760)
	Debenture loan			0
	Amounts due to factoring companies	(21,390)	(7,952)	(13,438)
	Financial liabilities for rights of use	(9,193)	(10,336)	1,143
	of which finance leases	*(1,236)*	*(1,240)*	*4*
	of which operating leases	*(7,957)*	*(9,096)*	*1,139*
	Current portion of payables due to other lenders	(71)	(71)	0
F	**Current portion of non-current financial debt**	**(71,823)**	**(66,578)**	**(5,245)**
G	**Current financial indebtedness (E + F)**	**(188,512)**	**(135,212)**	**(53,300)**
H	**Net current financial indebtedness (G - D)**	**136,070**	**52,685**	**83,385**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(297,901)**	**(240,818)**	**(57,083)**
	Medium-/long-term bank loans	(277,403)	(221,047)	(56,356)
	Financial liabilities for rights of use	(20,427)	(19,665)	(762)
	of which finance leases	*(1,438)*	*(2,066)*	*628*
	of which operating leases	*(18,989)*	*(17,599)*	*(1,390)*
	Amounts due to other lenders	(71)	(106)	35
J	**Debt instruments**	**(246,133)**	**(245,900)**	**(233)**
K	**Non-current trade and other payables**			**0**
L	**Non-current financial indebtedness (I + J + K)**	**(544,034)**	**(486,718)**	**(57,316)**
M	**Total financial indebtedness (H + L)**	**(407,964)**	**(434,033)**	**26,069**

For information on indirect factoring, see the comment in Note 25 "Trade Payables".

19 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 to €/000 0 in the two periods under comparison and relative accruals.

The next table summarises the breakdown of total financial indebtedness as of 30 June 2024 and 31 December 2023, as well as changes for the period.

IN THOUSANDS OF EUROS			CASH FLOWS						
		BALANCE AS OF 31.12.2023	MOVEMENTS	REPAYMENTS	NEW ISSUES	RECLASSIFICATIONS	EXCHANGE DELTA	OTHER CHANGES	BALANCE AS OF 30.06.2024
A	**Cash**	**181,692**	**142,043**				**847**		**324,582**
B	**Cash equivalents**	**0**							**0**
C	**Other current financial assets**	**6,205**	**(6,205)**						**0**
D	**Liquidity (A + B + C)**	**187,897**	**135,838**	**0**	**0**	**0**	**847**	**0**	**324,582**
E	**Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)**	**(68,634)**	**0**	**42,755**	**(87,081)**	**(4,318)**	**627**	**(38)**	**(116,689)**
	Current account overdrafts	(2,544)		2,544	(16)				(16)
	Current account payables	(47,731)		26,653	(65,675)		734		(86,019)
	Total current bank loans	*(50,275)*	*0*	*29,197*	*(65,691)*	*0*	*734*	*0*	*(86,035)*
	Debenture loan	0							0
	Amounts due to factoring companies	(7,952)		7,952	(21,390)				(21,390)
	Financial liabilities for rights of use	(10,336)		5,571		(4,283)	(107)	(38)	(9,193)
	of which finance leases	*(1,240)*		*632*		*(628)*			*(1,236)*
	of which operating leases	*(9,096)*		*4,939*		*(3,655)*	*(107)*	*(38)*	*(7,957)*
	Current portion of payables due to other lenders	(71)		35		(35)			(71)
F	**Current portion of non-current financial debt**	**(66,578)**		**27,680**		**(32,887)**		**(38)**	**(71,823)**
G	**Current financial indebtedness (E + F)**	**(135,212)**	**0**	**70,435**	**(87,081)**	**(37,205)**	**627**	**(76)**	**(188,512)**
H	**Net current financial indebtedness (G - D)**	**52,685**	**135,838**	**70,435**	**(87,081)**	**(37,205)**	**1,474**	**(76)**	**136,070**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(240,818)**	**0**	**0**	**(89,000)**	**37,205**	**(220)**	**(5,068)**	**(297,901)**
	Medium-/long-term bank loans	(221,047)			(89,000)	32,887		(243)	(277,403)
	Liabilities for rights of use	(19,665)			0	4,283	(220)	(4,825)	(20,427)
	of which finance leases	*(2,066)*				*628*			*(1,438)*
	of which operating leases	*(17,599)*				*3,655*	*(220)*	*(4,825)*	*(18,989)*
	Amounts due to other lenders	(106)				35			(71)
J	**Debt instruments**	**(245,900)**						**(233)**	**(246,133)**
K	**Non-current trade and other payables**								
L	**Non-current financial indebtedness (I + J + K)**	**(486,718)**	**0**	**0**	**(89,000)**	**37,205**	**(220)**	**(5,301)**	**(544,034)**
M	**Total financial indebtedness (H + L)**	**(434,033)**	**135,838**	**70,435**	**(176,081)**	**0**	**1,254**	**(5,377)**	**(407,964)**

Financial liabilities €/000 702,926

Financial liabilities are broken down as follows:

IN THOUSANDS OF EUROS	ACCOUNTING BALANCE AS OF 30.06.2024	ACCOUNTING BALANCE AS OF 31.12.2023	NOMINAL VALUE AS OF 30.06.2024	NOMINAL VALUE AS OF 31.12.2023
Bank loans	435,261	337,900	437,499	340,418
Bonds	246,133	245,900	250,000	250,000
Other loans	21,532	8,129	21,532	8,129
Total	**702,926**	**591,929**	**709,031**	**598,547**

The table below shows the debt servicing schedule as of 30 June 2024:

IN THOUSANDS OF EUROS				AMOUNTS FALLING DUE IN				
	NOMINAL VALUE AS OF 30.06.2024	AMOUNTS FALLING DUE WITHIN 12 MONTHS	AMOUNTS FALLING DUE AFTER 12 MONTHS	2ND HALF OF 2025	2026	2027	2028	AFTER
Bank loans	437,499	157,942	279,557	13,627	92,764	78,938	33,771	60,457
- of which opening of credit lines and bank overdrafts	*86,035*	*86,035*	*0*					
- of which medium/long-term bank loans	*351,464*	*71,907*	*279,557*	*13,627*	*92,764*	*78,938*	*33,771*	*60,457*
Bonds	250,000	0	250,000					250,000
Other loans	21,532	21,461	71	35	36			
Total	**709,031**	**179,403**	**529,628**	**13,662**	**92,800**	**78,938**	**33,771**	**310,457**

Medium and long-term bank debt amounts to €/000 349,226 (of which €/000 277,403 non-current and €/000 71,823 current) and consists of the following loans:

- a €/000 34,961 medium-term loan (nominal value €/000 35,000) 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 20,000 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 59,908 medium-term loan (nominal value €/000 60,000) from the European Investment Bank supporting Research and Development into technologies applied to electric vehicles for the 2022-2025 period. The loan will mature in January 2033 and has a repayment schedule of 7 fixed-rate annual instalments, with 2-year prepayment;
- €/000 3,505 (nominal value €/000 5.000) used of the revolving syndicated loan facility for a total of €/000 200,000 maturing on 15 November 2027 (with a year's extension at the borrower's discretion). Contract terms require covenants (described below);
- a €/000 114,580 "Schuldschein" loan (nominal value of €/000 115,000) issued between October 2021 and February 2022 and underwritten by leading market operators. The loan consists of 7, fixed and variable rate tranches with maturities at 3, 5 and 7 years;
- a €/000 15,687 medium-term loan (nominal value of €/000 15,750) granted by Banca Popolare Emilia Romagna. The loan will fall due on 31 December 2027 and has a repayment schedule of six-monthly instalments. Contract terms require covenants (described below);
- a €/000 9,974 loan (nominal value of €/000 10,000) 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 16,667 medium-term loan granted by Cassa Depositi e Prestiti to support international growth in India and Indonesia. The loan lasts for 5 years and will fall due on 30 August 2026 and with a repayment schedule of six-monthly instalments and 12-month prepayment. Contract terms require covenants (described below);
- a €/000 1,992 medium-term loan (nominal value of €/000 2,000) granted by Banca Popolare di Sondrio, maturing on 1 June 2026 and with a quarterly repayment schedule;

- a €/000 3,994 medium-term loan (nominal value of €/000 4,000) granted by Cassa di Risparmio di Bolzano, maturing on 30 June 2026 and with a quarterly repayment schedule. Contract terms require covenants (described below);
- a €/000 3,044 medium-term loan (nominal value of €/000 3,047) granted by Banca Popolare Emilia Romagna – formerly Banca Carige, maturing on 31 December 2026 and with a quarterly repayment schedule;
- a €/000 14,984 medium-term loan (nominal value of €/000 15,000) granted by Oldenburgische Landensbank Aktiengesellschaft maturing on 30 September 2027. Contract terms require covenants (described below);
- a €/000 23,930 medium-term loan (nominal value of €/000 24,000) granted by Banca Nazionale del Lavoro maturing on 5 January 2027. Contract terms require covenants (described below). An Interest Rate Swap has been taken out on this loan to hedge the interest rate risk;
- a €/000 26,000 medium-term loan granted by Cassa Depositi e Prestiti supporting Research and Development into technologies applied to electric vehicles for the 2022-2025 period maturing on 30 April 2029.

The Parent Company also has the following revolving loan facilities and loans undrawn as of 30 June 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.

All the above financial liabilities are unsecured.

The item Bonds for €/000 246,133 (nominal value of €/000 250,000) related to a high-yield debenture loan issued on 5 October 2023 for €/000 250,000, falling due on 5 October 2030 and with a semi-annual coupon with fixed annual nominal rate of 6.50%. Standard & Poor's and Moody's assigned a BB- rating with a positive outlook and a Ba3 rating with a stable outlook respectively.
The company may pay back the amount of the High Yield debenture loan issued on 5 October 2023, early, in full or in part, under the conditions indicated in the indenture. The value of prepayment options was not deducted from the original contract, as these are considered as being closely related to the host instrument, as provided for by IAS 9 b4.3.5.

Financial advances received from factoring companies and banks, on the sale of trade receivables with recourse, totalled €/000 21,390.

Medium-/long-term payables to other lenders equal to €/000 142 of which €/000 71 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 October 2023 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 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.

Amortised Cost and Fair Value Measurement

All financial liabilities are measured in accordance with accounting standards and based on the amortised cost method (except for liabilities with hedging derivatives measured at Fair Value Through Profit & Loss, for which the same measurement criteria used for the derivative are applied and receivables classified as Fair Value Through OCI): according to this method, the nominal amount of the liability is decreased by the amount of relative costs of issue and/or stipulation, in addition to any costs relating to refinancing of previous liabilities. The amortisation of these costs is determined on an effective interest rate basis, and namely the rate which discounts the future flows of interest payable and reimbursements of principle at the net carrying amount of the financial liability.
IFRS 13 – Fair Value Measurement defines fair value on the basis of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of an active market or market that does not operate regularly, fair value is measured by valuation techniques. The standard defines a fair value hierarchy:
- level 1 – quoted prices in active markets for assets or liabilities measured;
- level 2 – inputs other than quoted prices included within Level 1 that are observable directly (prices) or indirectly (derived from prices) on the market;
- level 3 – inputs not based on observable market data.

The valuation techniques referred to levels 2 and 3 must take into account adjustment factors that measure the risk of insolvency of both parties. To this end, the standard introduces the concepts of Credit Value Adjustment (CVA) and Debit Value Adjustment (DVA): CVA makes it possible to include the counterparty credit risk in the fair value measurement; DVA reflects the risk of insolvency of the Group.

The table below shows the fair value of payables measured using the amortised cost method as of 30 June 2024:

IN THOUSANDS OF EUROS	NOMINAL VALUE	CARRYING AMOUNT	FAIR VALUE [20]
High yield debenture loan	250,000	246,133	264,443
EIB RDI	35,000	34,961	33,183
EIB RDI step up	20,000	20,000	18,670
EIB e-mobility	60,000	59,908	57,781
Pool RCF	5,000	3,505	5,015
Loan from B. Pop. Emilia Romagna	15,750	15,687	14,024
Loan from CDP	16,667	16,667	17,407
E-mobility loan from CDP	26,000	26,000	27,178
Loan from Banco BPM	10,000	9,974	9,846
Loan from BNL	24,000	23,930	22,833
Loan from the former Banca Carige	3,047	3,044	2,913
Loan from CariBolzano	4,000	3,994	4,045
Loan from B.Pop. Sondrio	2,000	1,992	2,040
Loan from OLB	15,000	14,984	15,853
Schuldschein loans[21]	87,000	86,605	91,728

For liabilities due within 18 months, the carrying amount is basically considered the same as the fair value.

Fair value hierarchy

The table below shows the assets and liabilities measured and recognised at fair value as of 30 June 2024, by hierarchical level of fair value measurement.

IN THOUSANDS OF EUROS	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS MEASURED AT FAIR VALUE			
Financial derivatives:			
- of which financial assets			
- of which other receivables		2,463	
Investments in other companies			16
Total assets		**2,463**	**16**
LIABILITIES MEASURED AT FAIR VALUE			
Financial derivatives:			
- of which financial liabilities			
- of which other payables		(2,293)	
Financial liabilities at fair value recognised through profit or loss			
Total liabilities		**(2,293)**	
General total		**170**	**16**

The table below shows Level 2 and Level 3 changes occurring in the first half of 2024.

IN THOUSANDS OF EUROS	LEVEL 2	LEVEL 3
Balance as of 31 December 2023	**(1,238)**	**16**
Gain (loss) recognised in profit or loss	1,408	
Gain (loss) recognised in the statement of comprehensive income		
Balance as of 30 June 2024	**170**	**16**

20 The value deducts DVA related to the issuer, i.e. it includes the risk of insolvency of Piaggio.
21 Does not include the tranches maturing within 18 months.

Financial liabilities for rights of use €/000 29,620

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

	AS OF 30 JUNE 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
Operating leases	7,957	18,989	26,946	9,096	17,599	26,695	(1,139)	1,390	251
Finance leases	1,236	1,438	2,674	1,240	2,066	3,306	(4)	(628)	(632)
Total	**9,193**	**20,427**	**29,620**	**10,336**	**19,665**	**30,001**	**(1,143)**	**762**	**(381)**

Operating lease liabilities include payables with the parent companies Immsi and Omniaholding for €/000 5,938 (€/000 4,568 non-current portion).
Payables for finance leases were equal to €/000 2,674 (nominal value of €/000 2,678) and refer to a Sale&Lease back agreement on a production plant of the Parent Company with Albaleasing. The loan will mature in August 2026 and has quarterly repayments (non-current portion equal to €/000 1,438).

The table below shows the repayment schedule as of 30 June 2024:

IN THOUSANDS OF EUROS				AMOUNTS FALLING DUE IN				
	CARRYING AMOUNT AS OF 30.06.2024	AMOUNTS FALLING DUE WITHIN 12 MONTHS	AMOUNTS FALLING DUE AFTER 12 MONTHS	2ND HALF 2025	2026	2027	2028	AFTER
Financial liabilities for rights of use								
- of which operating leases	*26,946*	*7,957*	*18,989*	*5,565*	*4,800*	*3,230*	*2,191*	*3,203*
- of which finance leases	*2,674*	*1,236*	*1,438*	*646*	*792*			
Total	**29,620**	**9,193**	**20,427**	**6,211**	**5,592**	**3,230**	**2,191**	**3,203**

F) FINANCIAL RISK MANAGEMENT

This section describes all financial risks to which the Group is exposed and how these risks could affect future results.

36. Credit risk

The Group considers that its exposure to credit risk is as follows:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023
Bank and postal deposits	324,582	181,645
Financial receivables	16	6,221
Other receivables	98,161	105,138
Tax receivables	28,596	28,533
Trade receivables	132,789	58,878
Total	**584,144**	**380,415**

The Group monitors and manages credit centrally by using established policies and guidelines. The portfolio of trade receivables shows no signs of concentrated credit risk in light of the broad distribution of our licensee or distributor network. In addition, most trade receivables are short-term. In order to optimise credit management, the Group has established revolving programmes with some primary factoring companies for selling its trade receivables without recourse in Europe and the United States.

37. Financial risks

The financial risks the Group is exposed to are Liquidity Risk, Exchange Risk, Interest Rate Risk, Credit Risk and to a more limited extend Commodities Risk.
The management of these risks, in order to reduce management costs and dedicated resources, is centralised and treasury operations take place in accordance with formal policies and guidelines which are applicable to all Group companies.

Liquidity risk and capitals management

The liquidity risk arises from the possibility that available financial resources are not sufficient to cover, in due times and procedures, future payments arising from financial and/or commercial obligations. To deal with these risks, cash flows and the Group's credit line needs are monitored or managed centrally under the control of the Group's Treasury in order to guarantee an effective and efficient management of the financial resources as well as optimise the debt's maturity standpoint.
In addition, the Parent Company finances the temporary cash requirements of Group companies by providing direct short-term loans regulated in market conditions or guarantees. A cash pooling zero balance system is used between the Parent Company and European companies to reset the receivable and payable balances of subsidiaries on a daily basis, for a more effective and efficient management of liquidity in the Eurozone.
As of 30 June 2024 the most important sources of financing irrevocable until maturity granted to the Parent Company were as follows:

- a debenture loan of €/000 250,000 maturing in October 2030;
- a Schuldschein loan of €/000 115,000 with final settlement in February 2029;
- a syndicated revolving loan facility of €/000 200,000 expiring in November 2027;
- Revolving credit facilities for a total of €/000 22,500, with final settlement in August 2026;
- loans for a total of €/000 231,464, with final settlement in January 2033.

As of 30 June 2024, the Group had a liquidity of €/000 324,582, undrawn irrevocable credit lines of €/000 217,500 and revocable credit lines of €/000 188,083, as detailed below:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023
Variable rate with maturity within one year - irrevocable until maturity		
Variable rate with maturity after one year - irrevocable until maturity	217,500	280,500
Variable rate with maturity within one year - cash revocable	188,083	185,968
Variable rate with maturity within one year - with revocation for self-liquidating typologies		
Total undrawn credit lines	**405,583**	**466,468**

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:

- **settlement 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;
- **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 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 relative 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.

Cash flow hedging

As of 30 June 2024, the Group had undertaken the following futures operations (recognised based on the settlement date), relative to payables and receivables already recognised to hedge the settlement exchange risk:

COMPANY	OPERATION	CURRENCY	AMOUNT IN CURRENCY	VALUE IN LOCAL CURRENCY (FORWARD EXCHANGE RATE)	AVERAGE MATURITY
			IN THOUSANDS	IN THOUSANDS	
Piaggio & C.	Purchase	CAD	850	572	31/07/2024
Piaggio & C.	Purchase	CNY	114,000	14,586	19/07/2024
Piaggio & C.	Purchase	JPY	540,000	3,292	01/08/2024
Piaggio & C.	Purchase	SEK	14,000	1,224	01/09/2024
Piaggio & C.	Purchase	USD	51,850	47,779	31/07/2024
Piaggio & C.	Sale	CAD	6,500	4,403	20/08/2024
Piaggio & C.	Sale	CNY	42,000	5,358	20/08/2024
Piaggio & C.	Sale	IDR	9,800,000	557	23/07/2024
Piaggio & C.	Sale	JPY	135,000	800	23/08/2024
Piaggio & C.	Sale	USD	50,426	46,611	08/09/2024
Piaggio Vietnam	Sale	USD	42,438	1,077,284,020	14/08/2024
Piaggio Indonesia	Purchase	USD	17,900	290,231,010	09/08/2024
Piaggio Vehicles Private Ltd	Sale	USD	5,000	418,175	12/08/2024

As of 30 June 2024, the Group had undertaken the following hedging transactions on the exchange risk:

COMPANY	OPERATION	CURRENCY	AMOUNT IN CURRENCY	VALUE IN LOCAL CURRENCY (FORWARD EXCHANGE RATE)	AVERAGE MATURITY
			IN THOUSANDS	IN THOUSANDS	
Piaggio & C.	Sale	USD	26,000	24,014	07/09/2024
Piaggio & C.	Sale	GBP	6,100	6,977	25/09/2024
Piaggio & C.	Purchase	USD	20,000	18,096	13/06/2025
Piaggio & C.	Purchase	INR	3,782,554	39,500	11/05/2025
Piaggio & C.	Purchase	CNY	439,000	58,252	03/12/2024

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 June 2024 the total fair value of hedging instruments for the economic exchange risk recognised on a hedge accounting basis was negative by €/000 230. During the first half of 2024, profit was recognised under Other Comprehensive Income amounting to €/000 1,442 and losses from Other Comprehensive Income were reclassified under profit/loss for the period amounting to €/000 724.
The net balance of cash flows during the first half of 2024 in main currencies is shown below:

IN MILLIONS OF EUROS	CASH FLOW FOR THE 1ST HALF OF 2024
Canadian Dollar	6.1
Pound Sterling	21.3
Swedish Krone	(0.5)
Japanese Yen	(0.8)
US Dollar	24.3
Indian Rupee	(22.4)
Chinese Yuan[22]	(67.7)
Vietnamese Dong	(65.1)
Singapore dollar	(2.0)
Indonesian Rupiah	36.6
Total cash flow in foreign currency	**(70.2)**

In view of the above, an assumed appreciation/deprecation of 3% of the euro would have generated potential profits for €/000 2,042 and potential losses for €/000 2,168 respectively.

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 financial 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 June 2024, 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 10,000 from Banco BPM. The purpose of this instrument is to manage and mitigate exposure to interest rate risk; in accounting terms, the instrument is recognised on a cash flow hedge basis, with profits/losses arising from the fair value measurement allocated to a specific reserve in Shareholders' equity; as of 30 June 2024, the fair value of the instrument was positive by €/000 208. Sensitivity analysis of the instrument, assuming a 1% increase and decrease in the shift of the variable rates curve, shows a potential impact on Shareholders' Equity, net of the relative tax effect, equal to €/000 29 and €/000 -29 respectively.
- an Interest Rate Swap to hedge the variable-rate loan for a nominal amount of €/000 24,000 from Banca Nazionale del Lavoro. The purpose of this instrument is to manage and mitigate exposure to interest rate risk; in accounting terms, the instrument is recognised on a cash flow hedge basis, with profits/losses arising from the fair value measurement allocated to a specific reserve

22 Cash flow partially settled in USD

in Shareholders' equity; as of 30 June 2024, the fair value of the instrument was positive by €/000 279. Sensitivity analysis of the instrument, assuming a 1% increase and decrease in the shift of the variable rates curve, shows a potential impact on Shareholders' Equity, net of the relative tax effect, equal to €/000 328 and €/000 -296 respectively.

Commodity price risk

This risk arises from the possibility that company profitability changes due to fluctuations in commodity prices (specifically platinum, palladium, rhodium, aluminium and gas). The Group's purpose is therefore to neutralise these possible adverse changes arising from highly likely future transactions offsetting them with opposite changes related to the hedging instrument.
This type of 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 June 2024 the total fair value of hedging instruments for commodity price risk recognised on a hedge accounting basis was negative by €/000 86. During the first half of 2024, profit was recognised under Other Comprehensive Income amounting to €/000 40 and profit from Other Comprehensive Income was reclassified under profit/loss for the period amounting to €/000 299.

IN THOUSANDS OF EUROS	FAIR VALUE
PIAGGIO & C. S.P.A.	
Interest Rate Swap	487
Commodities Hedging	(86)

G) INFORMATION ON SHAREHOLDERS' EQUITY

38. Share capital and reserves €/000 443,223

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 JUNE 2024

	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 Share 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 (1,411)

Therefore, as of 30 June 2024, Piaggio & C. held 426,161 treasury shares, equal to 0.1202% of the shares issued.

SHARES IN CIRCULATION AND TREASURY SHARES

NO. OF SHARES	2024	2023
Situation as of 1 January		
Number of shares	354,632,049	358,153,644
Of which treasury portfolio shares	426,161	3,521,595
Of which shares in circulation	354,205,888	354,632,049
Movements for the period		
Cancellation of treasury shares		(3,521,595)
Purchase of treasury shares		426,161
Situation as of 30 June 2024 and 31 December 2023		
Number of shares	354,632,049	354,632,049
Of which treasury portfolio shares	426,161	426,161
Of which shares in circulation	354,205,888	354,205,888

Share premium reserve €/000 7,171

The share premium reserve as of 30 June 2024 was unchanged compared to 31 December 2023.

Legal reserve €/000 37,237

The legal reserve as of 30 June 2024 had increased by €/000 4,530 as a result of the allocation of earnings for the last period.

Financial instruments' fair value reserve €/000 76

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

Dividends

The Ordinary Shareholders' Meeting of Piaggio & C. S.p.A. held on 17 April 2024 resolved to distribute a final dividend of 8 eurocents, including taxes, for each eligible ordinary share (coupon no. 22 detachment date 22 April 2024, record date 23 April 2024 and payment date 24 April 2024), in addition to the interim dividend of 12.5 eurocents paid on 20 September 2023 (coupon detachment date 18 September 2023), for a total 2023 dividend of 20.5 eurocents. The overall dividend for 2023 after allocations to reserves is equal to a total of €72,630,957.04.

Earnings reserve €/000 210,054

Capital and reserves of non-controlling interest €/000 (159)

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

39. Other comprehensive income €/000 3,478

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 JUNE 2024						
Items that will not be reclassified in the income statement						
Remeasurements of defined benefit plans			655	655		655
Total	0	0	655	655	0	655
Items that may be reclassified in the income statement						
Exchange gain/(losses) arising on translation foreign operations		1,703		1,703	16	1,719
Share of Other Comprehensive Income/(loss) of associates valued with the equity method		87		87		87
Total profits (losses) on cash flow hedges	1,017			1,017		1,017
Total	1,017	1,790	0	2,807	16	2,823
Other comprehensive income/(loss)	**1,017**	**1,790**	**655**	**3,462**	**16**	**3,478**
AS OF 30 JUNE 2023						
Items that will not be reclassified in the income statement						
Remeasurements of defined benefit plans			67	67		67
Total	0	0	67	67	0	67
Items that may be reclassified in the income statement						
Exchange gain/(losses) arising on translation foreign operations		(2,074)		(2,074)	(12)	(2,086)
Share of Other Comprehensive Income/(loss) of associates valued with the equity method		(744)		(744)		(744)
Total profits (losses) on cash flow hedges	(5,840)			(5,840)		(5,840)
Total	(5,840)	(2,818)	0	(8,658)	(12)	(8,670)
Other comprehensive income/(loss)	**(5,840)**	**(2,818)**	**67**	**(8,591)**	**(12)**	**(8,603)**

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

	AS OF 30 JUNE 2024			AS OF 30 JUNE 2023		
	GROSS VALUE	TAX (EXPENSE) / BENEFIT	NET VALUE	GROSS VALUE	TAX (EXPENSE) / BENEFIT	NET VALUE
IN THOUSANDS OF EUROS						
Remeasurements of defined benefit plans	657	(2)	655	88	(21)	67
Exchange gain/(losses) arising on translation foreign operations	1,719		1,719	(2,086)		(2,086)
Share of Other Comprehensive Income/(loss) of associates valued with the equity method	87		87	(744)		(744)
Total profits (losses) on cash flow hedges	1,307	(290)	1,017	(7,684)	1,844	(5,840)
Other comprehensive income/(loss)	**3,770**	**(292)**	**3,478**	**(10,426)**	**1,823**	**(8,603)**

H) OTHER INFORMATION

40. Share-based incentive plans

As of 30 June 2024, there were no incentive plans based on financial instruments.

41. Information on related parties

Revenues, costs, payables and receivables as of 30 June 2024 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 n. 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**, in the Governance section.

Relations with Parent Companies
Piaggio & C. S.p.A. is controlled by the following companies:

DESIGNATION	REGISTERED OFFICE	TYPE	% OF OWNERSHIP	
			AS OF 30 JUNE 2024	AS OF 31 DECEMBER 2023
Immsi S.p.A.	Mantova - Italy	Direct parent company	50.5680	50.5680

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 of the Group, 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.

In 2023, for a further three years, the Piaggio & C. S.p.A.[23] signed up to the National Consolidated Tax Convention pursuant to Articles 117 to 129 of the Consolidated Income Tax Act (TUIR) of which IMMSI S.p.A. is the consolidating company, and to whom other IMMSI Group companies report. 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.

23 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.

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

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

Pursuant to article 2.6.2, section 13 of the Regulation of Stock Markets organised and managed by Borsa Italiana S.p.A., the conditions as of article 37 of Consob regulation no. 16191/2007 exist.

Transactions with Piaggio Group companies

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

Piaggio & C. S.p.A.

- sells vehicles, spare parts and accessories to sell on respective markets, to:
  - Piaggio Hrvatska
  - Piaggio Hellas
  - Piaggio Group Americas
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam
  - Piaggio Concept Store Mantova
  - Foshan Piaggio Vehicles Technology R&D
  - Piaggio Asia Pacific
  - Piaggio Group Japan
  - PT Piaggio Indonesia

- sells components to:
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam
  - Aprilia Racing

- supplies promotional material to:
  - Piaggio France
  - PT Piaggio Indonesia
  - Piaggio España
  - Piaggio Limited
  - Piaggio Deutschland

- 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

- rents a part of property it owns 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.

Also sells CKD vehicles to PT Piaggio Indonesia that assembles them at its plant and distributes them on the local market.

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

Piaggio Asia Pacific, PT Piaggio Indonesia, Piaggio Group Japan
- distribute vehicles, spare parts and accessories purchased by Piaggio & C. S.p.A. and Piaggio Vietnam on Asian area markets 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;
  - scouting of local suppliers;
  - a distribution service for vehicles, spare parts and accessories on its own market.

- Piaggio Vehicles Private Limited with:
  - scouting of local suppliers;

- Piaggio Vietnam with:
  - scouting of local suppliers;
  - a distribution service for vehicles, spare parts and accessories on its own market.

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 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 to use in its manufacturing activities.

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

Piaggio España supplies Nacional Motor with:
- an administration/accounting service.

Based on the policy for the international mobility of employees adopted by the Group, companies that have employees transferred to other affiliates on their books re-invoice the costs of these employees to the companies where the employees have been transferred.

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, joint venture and affiliated companies as of 30 June 2024 and relations during the period, as well as their overall impact on financial statement items.

IN THOUSANDS OF EUROS	FONDAZIONE PIAGGIO	IMMSI	IMMSI AUDIT	OMNIA HOLDING	PONTECH - PONTEDERA & TECNOLOGIA	ZONGSHEN PIAGGIO FOSHAN	TOTAL	% OF ACCOUNTING ITEM
AS OF 30 JUNE 2024								
Income statement								
Net revenues						2	2	0.00%
Costs for materials						10,271	10,271	1.68%
Cost for services and use of third-party assets	3	218	400	25		33	679	0.49%
Other operating income		25	15	13		102	155	0.17%
Other operating costs	5	1					6	0.05%
Results of associates - Income/(losses)					14	(681)	(667)	105.37%
Financial costs		125		12			137	0.54%
Financial statements								
Current trade receivables			4			394	398	0.30%
Other current receivables		33,158	11	13		604	33,786	43.03%
Financial liabilities for rights of use > 12 months		4,211		357			4,568	22.36%
Financial liabilities for rights of use < 12 months		1,153		217			1,370	14.90%
Current trade payables	7	54		4		7,326	7,391	1.03%
Other current payables	8	43,905	40				43,953	36.51%

42. Disputes

Canadian Scooter Corp. (CSC), the sole distributor of Piaggio for Canada, summoned Piaggio & C. S.p.A., Piaggio Group Americas Inc. and Nacional Motor S.A to appear before the Court of Toronto (Canada) in August 2009 to obtain compensation for damages sustained due to the alleged infringement of regulations established by Canadian law on franchising (the Arthur Wishart Act). The proceedings are currently suspended due to the inactivity of the counterparty. Piaggio has considered the possibility of filing a petition to obtain an "order to dismiss" the lawsuit due to inactivity of the counterparty, however it has decided at the moment not to proceed as the costs are greater than the possible benefits.

Da Lio S.p.A., by means of a writ received on 15 April 2009, summoned the Company before the Court of Pisa to claim compensation for the alleged damages sustained for various reasons as a result of the termination of supply relationships. The Company appeared in court requesting the rejection of all opposing requests. Da Lio requested and obtained a joinder with the opposition concerning the injunction issued in favour of Piaggio to return the moulds retained by the supplier at the end of the supply agreement. Judgements were considered and a ruling issued pursuant to article 186-ter of the Italian Code of Civil Proceedings, on 7 June 2011, ordering Piaggio to pay the sum of Euro 109,586.60, plus interest relative to sums which were not disputed. During 2012, witness evidence was obtained, followed by a court-appointed expert's report ("CTU"), ordered at Da Lio's request, to quantify the amount of interest claimed by Da Lio and the value of materials in stock. After requesting the parties to state their conclusions and file their respective final briefs, the Court of Pisa ordered Piaggio to pay a total sum of approximately €7,600,000 and to publish the ruling in two national newspapers and two specialist journals. Piaggio, assisted by its lawyers providing counsel in the appeal proceedings who had indicated the many reasons for filing an appeal and the grounds of the Company, filed an appeal before the Appeal Court of Florence, requesting the ruling to be revised and its enforcement to be suspended. On 21 October 2020, the Court of Appeal of Florence partially granted the petition to suspend the enforceability of the ruling made by Piaggio, up to the amount of €2,670,210.26, rejecting it for the remainder and confirming the enforceability of the ruling for the additional amounts. The Court of Appeal ordered the exchange of the written notes containing the requests and conclusions of the Parties in lieu of the first hearing set for 9 June 2021. The case was adjourned to the subsequent hearing on 8 June 2022 for closing arguments, when the Court retained the case for decision, assigning the parties time to file their final defence briefs. On 28 November 2022, the Court of Appeal of Florence partially upheld the main (Piaggio's) and incidental (Da Lio's) grounds of appeal and, as a result, (i) reduced Piaggio's sentence to the payment of the lower amount of approximately €3 million as regards the item "default interest and penalties on invoices paid late" compared to the previous amount of approximately €4.3 million (without prejudice to the other items of the sentence); (ii) declared that the sum due by Piaggio for unpaid invoices amounts to approximately €0.36 million and (iii) declared that (only) legal interest should be calculated on the sums due by Piaggio as penalties for invoices paid late, starting from the date of the court application rather than from the sentence. Piaggio appealed against the ruling before the Court of Cassation on 14 March 2023, which was followed by a counter-appeal with cross-appeal by Da Lio.

In June 2011 Elma srl, a Piaggio dealer since 1995, brought two separate proceedings against the Company, claiming the payment of approximately €2 million for alleged breach of the sole agency ensured by Piaggio for the Rome area and an additional €5 million as damages for alleged breach and abuse of economic dependence by the Company. Piaggio opposed the proceedings undertaken by Elma, fully disputing its claims and requesting a ruling for Elma to settle outstanding sums owing of approximately €966,000.
The Judge threw out all claims made by Elma, ruling it to pay Piaggio the sum of €966,787.95 plus interest on arrears, deducting the amount of €419,874.14, already received by Piaggio through enforcing the guarantee. Piaggio paid Elma (offsetting the amount) the sum of €58,313.42 plus legal interest. On 14 January 2020, Piaggio filed a bankruptcy petition against Elma in relation to the sums to receive, while on 15 January 2020, Elma appealed against the above ruling with the Court of Appeal of Florence. With a ruling on 28 February 2023, the Court of Appeal of Florence rejected Elma's appeal in its entirety and confirmed the first instance ruling; Elma did not appeal to the Court of Cassation.
In relation to the same events, Elma also brought a case before the Court of Rome, against a former senior manager of the Company to obtain compensation from the latter for damages allegedly suffered. Piaggio appeared in these proceedings requesting, inter alia, the joinder with the lawsuits pending, at the time, before the Court of Pisa. The Judge admitted an accounting expert's report requested by Elma, although with a far more limited scope than the filed petition. In its judgment of 3 June 2019, the Court of Rome rejected the request made by Elma S.r.l., also sentencing it to pay the expert's expenses, and offsetting the costs of the litigation. Elma appealed before the Court of Appeal of Rome summoning Piaggio to a hearing on 15 April 2020, postponed to 31 March 2021 and again postponed to 6 April 2021. The Board of Appeal rejected, at the present time, the request to annul the expert's report carried out in first instance, formulated by Elma, deeming this decision to be strictly connected to the examination of the appeal on the merits, and therefore adjourned the case to the hearing of 2 October 2024 for closing arguments.

The company TAIZHOU ZHONGNENG summoned Piaggio before the Court of Turin, requesting the annulment of the Italian part of the 3D trademark registered in Italy protecting the form of the Vespa, as well as a ruling denying the offence of the counterfeiting of the 3D trademark in relation to scooter models seized by the Italian tax police at the 2013 EICMA trade show, based on the petition filed by Piaggio, in addition to compensation for damages. At the first hearing for the parties to appear (5 February 2015), the Judge arranged for a technical appraisal to establish the validity of the Vespa 3D trademark and the infringement or otherwise of Znen scooter models, setting the hearing for 3 February 2016 to discuss the appraisal, after which, considering the preliminary investigation as completed, set the hearing for closing arguments for 26 October 2016. In a ruling of 6 April 2017, the Court of Turin upheld in full the validity of the 3D Vespa mark of Piaggio, and the counterfeiting of said by the "VES" scooter by Znen. The Court of Turin also recognised the protection of Vespa in accordance with copyright, confirming the creative nature and artistic value of its form, declaring that the scooter "VES" by Znen infringes Piaggio copyright. The other party appealed against the sentence at the Appeal Court of Turin, where the first hearing took place on 24 January 2018. The case was adjourned to the hearing of 13 June 2018 for the closing arguments, after which statements and rejoinders and replications were exchanged. The Court of Appeal of Turin rejected the appeal made by Zhongneng in a ruling published on 16 April 2019. The other party appealed to the Court of Cassation, to which Piaggio filed a counter-appeal on 5 September 2019. Following the hearing, in public session, on 17 October 2023, the Court of Cassation, with a ruling published on 29 November 2023, confirmed the protection of the copyright on the form of the Vespa and instead, as regards the trademark, referred the decision back to the Turin Court of Appeal.
TAIZHOU ZHONGNENG then appealed before the Court of Appeal and Piaggio & C S.p.A. filed an appearance on 20 June 2024.
At the hearing of 11 July 2024, the Judge adjourned the case to 2 October 2024 for a joint hearing.

In a writ dated 27 October 2014, Piaggio summoned PEUGEOT MOTOCYCLES ITALIA S.p.A. ("Peugeot Italia"), MOTORKIT s.a.s. di Turcato Bruno and C., GI.PI. MOTOR di Bastianello Attilio and GMR MOTOR s.r.l. before the Companies Court of Milan, to obtain the recall of Peugeot "Metropolis" motorcycles from the market, and to establish the infringement of some European patents and designs owned by Piaggio, as well as a ruling for the compensation for damages for unfair competition, and the publication of the ruling in some newspapers ("Case 1").
In the hearing for the first appearance (4 March 2015), the Judge set the deadline for filing statements pursuant to Article 183.6 of the Italian Code of Civil Procedure and appointed an expert witness. In the next hearing on 28 February 2018, for closing arguments, the Judge ordered an addition to the expert's appraisal and set the new deadlines for the exchange of final statements. On 27 May 2020, the Court of Milan rejected the claims of infringement of Piaggio patents Nos. EP1363794B1, EP1571016B1, IT1357114 and Community design no. 487723-0001, as well as the claim of unfair competition, ordering Piaggio to pay 3/4 of the costs of the witness appraisal and to pay the defendant the costs of the proceedings ("Judgement 1"); it also ordered the separation of the hearing on the infringement of patent No. EP1561612B1, combining it with the case brought by PEUGEOT MOTOCYCLES SAS for a declaration of erga omnes invalidity ("Case 2").
Piaggio appealed against Judgement 1 before the Court of Appeal of Milan. The Court rejected the objection raised by Peugeot

regarding the admissibility of the appeal and set a hearing for 10 November 2021 for closing arguments, adjourned for the same purposes to the hearing of 23 March 2022, in which the terms for filing final briefs and rejoinders were granted, and duly exchanged between the parties. Piaggio's request for an oral hearing was upheld, with the hearing set for 14 September 2022, after which the Court reserved its decision. In a judgement of 18 January 2023, the Court of Appeal upheld the first instance ruling. In particular, it (i) ruled out the existence of infringement of the three patents, deeming the objections of invalidity of EP'794, EP'016 and IT'114 raised by Peugeot to have been considered, and (ii) rejected Piaggio's claims of infringement of the Community design and unfair competition, deeming that the Court of First Instance's ruling on this point in the judgment at first instance was correct. No party appealed to the Court of Cassation.

Peugeot served a writ of summons on Piaggio before the Court of Milan, claiming that the patent on which the infringement claim made by Piaggio in Case 1 is based was invalid because of a pre-existing Japanese patent application ("Case 2"). Piaggio appeared in court, claiming that the action taken by Peugeot could not proceed further and that the patent application referred to by Peugeot was irrelevant. At the hearing of 20 February 2018, the Judge assigned the terms for filing preliminary briefs; the case was adjourned to the hearing of 22 May 2018, at the outcome of which a court-appointed expert's report was ordered, with a deadline of 15 January 2019 for filing. Having filed the expert's report (which confirmed the validity of Piaggio's patent) and discussed the same at the hearing of 29 January 2019, the Judge requested further technical clarifications from the court-appointed expert, granting Peugeot a time limit to formulate the request to supplement the court-appointed expert's report. The Judge rejected Peugeot's request for clarifications and deemed the case ready for decision, adjourning the hearing to 15 December 2020 for the closing arguments of the joined cases (infringement and nullity). The Judge granted the statutory time limits for the filing of closing statements, duly exchanged between the parties. At Peugeot's request, the Court ordered the oral discussion of the case at the hearing on 24 June 2021, and then retained the case for decision. On 20 September 2021, the Court of Milan ruled in favour of Piaggio (i) rejecting the application for invalidity of the EP patent owned by Piaggio, (ii) establishing the infringement and prohibiting, limited to Italy, the manufacture, import, export, marketing, advertising, including through the internet, of the aforesaid motorbikes; (iii) ordering Peugeot Italia to recall the infringing motorbikes from the market; (iv) setting a penalty of €6,000 to be paid by each of the defendants for each Metropolis motorbike marketed after the lapse of thirty days from the communication of the ruling and €10,000 to be paid by Peugeot Italia and Peugeot Motocycles S.A.S. for each day of delay in implementing the order under (iii), after the lapse of ninety days from the communication of this ruling; (v) making Peugeot liable for Piaggio's legal expenses ("Judgement 2").
Peugeot appealed the aforementioned judgment, with a simultaneous appeal to suspend its provisional enforceability. The latter was rejected on 6 December 2021, with confirmation of the provisional enforceability of Judgement 2.
On 16 January 2023, the Court of Appeal of Milan: (i) upheld Judgement 2 with regard to the finding of validity of EP'612 and the existence of a literal infringement of claims 1, 2 and 5 of the patent by Metropolis (ii) upheld the measures of the injunction and withdrawal from the market ordered by the Court of First Instance, but, unlike the Court of First Instance limited the order of withdrawal from the market only against Peugeot Italia (iii) also rejected Peugeot's sixth ground of appeal (iv) ordered the general order against Peugeot Italia (v) ordered, by separate order, the continuation of the case for the determination of damages to be awarded. As part of the continuation of the second-degree proceedings, a court-appointed expert's report was then produced, after which a hearing was held on 8 November 2023; on this occasion, the Court of Appeal granted the parties time limits for filing their final defence briefs (9 January 2024 and 29 January 2024, respectively for closing statements and rebuttal briefs). It then set a hearing for the oral argument of the case for 24 April 2024. In the meantime, Peugeot appealed to the Court of Cassation against the non-final ruling, which was followed by Piaggio's counter-appeal. The appeal to the Court of Cassation was declared inadmissible on 17 April 2024.
With a judgement published on 31 May 2024, the Court of Appeal of Milan ruled against Peugeot Italia, ordering it to pay Piaggio €872,000 in damages, plus interest and monetary revaluation, also ordering Peugeot and Peugeot Italia to pay Piaggio's legal fees. The deadlines for appealing the judgement of 31 May 2024 before the Court of Cassation are now pending.

Piaggio also started legal action against Peugeot before the Tribunal de Grande Instance in Paris. As a result of the Piaggio action ("Saisie Contrefaçon"), several documents were obtained by a bailiff and tests carried out to prove the infringement of the Piaggio MP3 motorcycle by the Peugeot "Metropolis" motorcycle. The hearing took place on 8 October 2015 for the appointment of the expert, who will examine the findings of the Saisie Contrefaçon. On 3 February 2016 the hearing took place to discuss the preliminary briefs of the parties. In February 2018, a preliminary expert's appraisal was filed defining documents based on which a ruling will be made on the counterfeiting alleged by Piaggio. The hearing was held on 29 January 2019 and then on 17 October 2019. Subsequently, after the filing of respective pleadings and the holding of two hearings (17 September 2020 and 11 March 2021), the Paris Court ruled on 7 September 2021 in favour of Piaggio, sentencing Peugeot to pay damages of €1,500.000, plus further fines and legal costs, and an injunction prohibiting Peugeot on French territory from producing, promoting, marketing, importing, exporting, using and/or owning any three-wheeler scooter using Piaggio's patented control system (including the Peugeot Metropolis). Piaggio appealed to obtain the provisional enforceability of the first instance judgment; the Court rejected this application by decision dated 8 March 2022. Peugeot, at the same time, appealed against the first instance ruling and Piaggio duly entered an appearance in the appeal, requesting the rejection of the appeal filed by Peugeot. Peugeot then requested that a new court-appointed expert's report be ordered; the request was rejected on 10 January 2023. The Court then set the hearing for 29 May 2024 for final discussion which was adjourned to 3 September 2024.

ALZA ITALIA S.r.l. served a writ of summons on Piaggio, requesting the Court of Florence to order Piaggio to pay for alleged damages sustained as a result of the seizure of vehicles owned by Alza Italia, which took place in 2021; the seizure, according to the claimant, was due to the expert's report on the counterfeiting of vehicles requested from Piaggio by proceeding customs' authorities. The damages, allegedly sustained due to a seizure (and indirectly because of the expert report of Piaggio, considered by the claimant to not be correct), consisted of the impossibility of starting and continuing the sale of the models of the vehicles seized, for a total amount estimated, in the writ, of €13,078,515.87. Piaggio filed an appearance on 3 May 2024. The first hearing will take place on 10 December 2024.

The amounts allocated by the Company for the potential risks deriving from the current disputes appear to be consistent with the predictable outcome of the disputes.

With reference to tax litigation involving the parent company Piaggio & C. S.p.A. (hereinafter also referred to as "the Company" or "the Parent Company"), it should be noted that litigation is pending concerning the IRAP and IRES tax assessments notified to the Company on 22 December 2017, both relative to the 2012 tax year and containing findings on transfer pricing. In this regard, it should be remembered that the Company won its case in both the first and second instance. The Revenue Agency filed an appeal against this decision before the Regional Tax Commission with a deed notified to the Company on 13 May 2024, while the latter filed a counter appeal on 19 June 2024.

With reference to the disputes arising from inspections relating to income produced by Piaggio & C. S.p.A. in India in the Indian tax years 2010-2011, 2011-2012 and 2012-2013, respectively involving claims for approximately €1.3 million, €1.2 million and €1.1 million, inclusive of interest. It has to be noted that for all the years concerned, the Parent Company was successful before the Income Tax Appellate Tribunal.
Following the favourable judgements in the first instance, the Parent Company obtained the reimbursement of the disputed amounts previously paid to the Indian tax authorities in compliance with local regulations.
The Company has not considered allocating provisions for these disputes, considering the rules in its favour, and the positive opinions expressed by consultants appointed as counsel.

Lastly, the Company has some disputes ongoing regarding the non-application of local VAT in relation to intragroup transactions with its subsidiary Piaggio Vehicles PVT Ltd concerning royalties, for the tax years 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017 and 2017-2018. The amount of the dispute including interest amounts to approximately €0.8 million for each of the disputed tax periods, a small portion of which has already been paid to the Indian tax authorities in compliance with local legislation. The Company decided to appeal against all the orders issued by the competent authorities and pending judgement.

The main tax disputes of other Group companies concern Piaggio Vehicles PVT Ltd, PT Piaggio Indonesia and Piaggio Hellas S.A..

With reference to the Indian company, there are some disputes regarding different years from 2000 to 2022. In particular, as concerns direct taxes, the disputes are mainly due to assessments containing findings on transfer pricing, while as regards indirect taxes the findings refer to duties on imports and taxes on local commercial transactions. Considering the positive indications of the counsel for the defence, no provision has been made in the financial statements. The Indian company has already partly paid the amounts contested, as required by local laws, that will be paid back if proceedings are successfully concluded in its favour.

With reference to PT Piaggio Indonesia, the Company has certain disputes outstanding relating to the 2018, 2019, 2021, 2022 and 2023 tax periods.
In particular, the tax years disputed by the competent authorities mainly refer to aspects regarding transfer pricing and withholding tax on presumed payment flows.
In relation to the 2018 and 2019 tax periods the company has filed an appeal before the judicial authorities and a decision is pending.
In relation to the 2021 tax period, the Indonesian tax authorities are re-proposing the same transfer pricing objections made in 2018 and in 2019. The total amount currently being contested amounts to approximately €1 million.
As regards the 2022 tax period, the objection refers to a higher tax equal to approximately €0.8 million.
Lastly, as regards the 2022 and 2023 tax periods, further objections have been raised regarding the failure to recognise the exemption from duties on some imports of vehicles originating from Vietnam. The total amount concerned comes to approximately €0.4 million for 2022, and €0.4 million for 2023. With reference to the dispute relating to the period 2022, the company has filed an appeal before

the judicial authorities, which ruled against the company. The Indonesian company has appealed against this decision. In relation to the 2023 tax period, the Company has filed an appeal before the judicial authorities and a decision is pending.

On 8 April 2015, Piaggio Hellas S.A. received a tax report following a general assessment for the 2008 tax period, with findings for approximately €0.5 million, including sanctions. On 12 June 2015, the Greek company filed an appeal against this report before the judicial authorities, that ruled against it. As a result of the unfavourable outcome of the aforementioned appeal, the company filed an appeal, with a ruling on 27 April 2017 in favour of the local tax authorities. The company therefore filed an appeal against the ruling. On 18 January 2023 a hearing took place, and the ruling is currently pending. The amount in question was paid in full to the Greek tax authorities. Based on positive opinions from professionals appointed as counsel, the company considers a favourable outcome and subsequent reimbursement of amounts paid as likely.

43. Significant non-recurring events and operations

No significant, non-recurring operations, as defined by Consob Communication DEM/6064293 of 28 July 2006 took place during the first half of 2024 and in 2023.

44. Transactions arising from atypical and/or unusual transactions

During 2023 and the first six months of 2024, the Group did not record any significant atypical and/or unusual operations, as defined by Consob Communication DEM/6037577 of 28 April 2006 and DEM/6064293 of 28 July 2006.

45. Events occurring after the end of the period

To date, no events have occurred after 30 June 2024 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 June 2024.

46. Authorisation for publication

This document was published on 9 August 2024 and authorised by the Chief Executive Officer.

Mantova, 29 July 2024

for the Board of Directors

Chief Executive Officer
Michele Colaninno

ATTACHMENTS

Piaggio Group companies

Companies and material investments of the Group are listed below.
The list presents the companies divided by type of control and method of consolidation.
The following are also shown for each company: the company name, the registered office, the country of origin and the share capital in the original currency, in addition to the percentage held by Piaggio & C. S.p.A. or by other subsidiaries. It should be noted that the percentage share of ownership corresponds to the percentage share of the voting rights exercised at Ordinary General Meetings of Shareholders.

List of companies included in the scope of consolidation on a line-by-line basis as of 30 June 2024

COMPANY NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CURRENCY	% OF THE HOLDING			% TOTAL INTEREST
					DIRECT	INDIRECT	MEANS	
Parent company:								
Piaggio & C. S.p.A.	Pontedera (Pisa)	Italy	207,613,944.37	Euros				
Subsidiaries:								
Aprilia Brasil Industria de Motociclos S.A.	Manaus	Brazil	2,020,000.00	R$		51%	Aprilia World Service Holding do Brasil Ltda	51%
Aprilia Racing s.r.l.	Pontedera (Pisa)	Italy	250,000.00	Euros	100%			100%
Aprilia World Service Holding do Brasil Ltda.	São Paulo	Brazil	2,028,780.00	R$		99.999950709%	Piaggio Group Americas Inc	99.999950709%
Foshan Piaggio Vehicles Technology Research and Development Co Ltd.	Foshan City	China	10,500,000.00	CNY		100%	Piaggio Vespa B.V.	100%
Nacional Motor S.A.	Barcelona	Spain	60,000.00	Euros	100%			100%
Piaggio Advanced Design Center Corp.	Pasadena	USA	100,000.00	USD	100%			100%
Piaggio Asia Pacific PTE Ltd.	Singapore	Singapore	100,000.00	SGD		100%	Piaggio Vespa B.V.	100%
Piaggio China Co. Ltd.	Hong Kong	China	12,500,000 auth. capital (12,181,000 subscribed and paid up)	USD	100%			100%
Piaggio Concept Store Mantova S.r.l.	Mantova	Italy	100,000.00	Euros	100%			100%
Piaggio Deutschland GmbH	Düsseldorf	Germany	250,000.00	Euros		100%	Piaggio Vespa B.V.	100%
Piaggio España S.L.U.	Alcobendas	Spain	426,642.00	Euros	100%			100%
Piaggio Fast Forward Inc.	Boston	USA	15,135.98	USD	83.91%			83.91%
Piaggio France S.A.S.	Clichy Cedex	France	250,000.00	Euros		100%	Piaggio Vespa B.V.	100%
Piaggio Group Americas Inc.	New York	USA	2,000.00	USD		100%	Piaggio Vespa B.V.	100%
Piaggio Group Japan	Tokyo	Japan	99,000,000.00	JPY		100%	Piaggio Vespa B.V.	100%
Piaggio Hellas S.A.	Athens	Greece	1,004,040.00	Euros		100%	Piaggio Vespa B.V.	100%
Piaggio Hrvatska D.o.o.	Split	Croatia	53,089.12	Euros		100%	Piaggio Vespa B.V.	100%
Piaggio Limited	Orpington	United Kingdom	250,000.00	GBP	0.0004%	99.9996%	Piaggio Vespa B.V.	100%
Piaggio Vehicles Private Limited	Maharashtra	India	340,000,000.00	INR	99.9999971%	0.0000029%	Piaggio Vespa B.V.	100%
Piaggio Vespa B.V.	Breda	Holland	91,000.00	Euros	100%			100%
Piaggio Vietnam Co Ltd.	Hanoi	Vietnam	186,468,126,000.00	VND	63.50%	36.50%	Piaggio Vespa B.V.	100%
PT Piaggio Indonesia	Jakarta	Indonesia	10,254,550,000.00	IDR	29.285714286%	70.714285714%	Piaggio Vespa B.V.	100%

List of companies included in the scope of consolidation with the equity method as of 30 June 2024

COMPANY NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CURRENCY	% OF THE HOLDING			% TOTAL INTEREST
					DIRECT	INDIRECT	MEANS	
Zongshen Piaggio Foshan Motorcycle Co. Ltd	Foshan City	China	255,942,515.00	CNY	32.50%	12.50%	Piaggio China Co. LTD	45%

List of investments in associates as of 30 June 2024

COMPANY NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CURRENCY	% OF THE HOLDING			% TOTAL INTEREST
					DIRECT	INDIRECT	MEANS	
Depuradora D'Aigues de Martorelles Soc. Coop. Catalana Limitada	Barcelona	Spain	60,101.21	Euros		22%	Nacional Motor S.A.	22%
Immsi Audit S.c.a r.l.	Mantova	Italy	40,000.00	Euros	25%			25%
Pontedera & Tecnologia S.c.a r.l.	Pontedera (Pisa)	Italy	469,069.00	Euros	22.23%			22.23%
S.A.T. Societé d'Automobiles et Triporteurs S.A.	Tunis	Tunisia	210,000.00	TND		20%	Piaggio Vespa B.V.	20%

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE NO. 58/98

1. The undersigned Michele Colaninno (Chief Executive Officer) and Alessandra Simonotto (Executive in charge of financial reporting) of Piaggio & C. S.p.A. certify, also in consideration of article 154-bis, sections 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
   - the appropriateness with regard to the company's characteristics and
   - the actual application of administrative and accounting procedures for the formation of the Condensed Consolidated Interim Financial Statements during the first half of 2024.

2. With regard to the above, no relevant aspects are to be reported.

3. Moreover, it is stated that

   3.1 the Condensed Consolidated Interim Financial Statements:

   a. have been prepared in compliance with the international accounting standards recognised by the European Community pursuant to regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;

   b. correspond to accounting records;

   c. give a true and fair view of the consolidated statement of financial position and results of operations of the Issuer and of all companies included in the scope of consolidation.

   3.2 the Directors' Interim Report contains references to important events occurring in the first six months of the financial year and to their incidence on the Condensed Consolidated Interim Financial Statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year, as well as information on significant transactions with related parties.

Date: 29 July 2024

Michele Colaninno
Chief Executive Officer

Alessandra Simonotto
Executive in charge of financial reporting

Report of the Independent Auditors on the Condensed Consolidated Interim Financial Statements

Deloitte.

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Piaggio & C. S.p.A.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Piaggio & C. S.p.A. and subsidiaries (the “Piaggio Group”), which comprise the consolidated statement of financial position as of June 30, 2024, and the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated shareholders’ equity, consolidated statement of cashflows for the six month period then ended and the related explanatory notes. The Directors are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (“Consob”) for the review of the interim financial statements under Resolution n° 10867 of July 31, 1997. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Piaggio Group as of June 30, 2024 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Gianni Massini
Partner

Florence, August 6, 2024

This report has been translated into the English language solely for the convenience of international readers

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Disclaimer

This Half-Year Financial Report as of 30 June 2024 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.

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