PIAGGIO GROUP

HALF-YEAR FINANCIAL REPORT AS OF 30 JUNE 2022

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INTRODUCTION

This Half-Year Financial Report as of 30 June 2022 has been prepared in accordance with Article 154-ter of Legislative Decree 58/1998 and includes the Interim Directors' Report, the Condensed Consolidated Half-Yearly Financial Report and the Certification required by Article 154-bis of 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 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 of Euros; changes and percentages are calculated from figures in thousands of Euros and not from rounded off figures in millions of Euros.

HEALTH EMERGENCY - COVID-19

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

With regard to the areas of greatest importance for the Group's activities, India completely lifted lockdown in May 2022.
The only area which is still a cause for concern is China, where, in the face of an increase in cases, government authorities have issued lockdown measures in some regions.

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

The pandemic has made the need for safe personal transport increasingly important among the population – to the detriment of public transport, which is seen as a potential vector of transmission.
The Group will continue to work to seize the opportunities presented by potential growth in demand, offering products that guarantee safe travel with low or no environmental impact.

RUSSIA-UKRAINE CRISIS

The Piaggio Group is carefully following the evolution of the crisis triggered by the Russia - Ukraine conflict. The extreme geographical diversification of the Group's sales and purchases means that it has essentially no exposure in the conflict area.
That said, the conflict has begun to generate increases in the costs of raw materials and energy, with significant repercussions on the world economy and on rising inflation, leading central banks in Western countries to start raising interest rates.
During the first half, the indirect impacts of the conflict were an increase in the cost of energy, which mainly impacted the European plants of the Group, and an increase in the cost of raw materials that was partially mitigated by agreements with suppliers.

KEY OPERATING AND FINANCIAL DATA

	1st half 2022	1st half 2021	2021 Financial Statements
IN MILLIONS OF EUROS			
Data on financial position			
Net revenues	1,053.1	901.7	1,668.7
Gross industrial margin	277.1	261.9	462.5
Operating income	85.8	80.4	112.6
Profit before tax	72.9	70.2	93.7
Net profit	45.2	43.5	60.1
.Non-controlling interests			
.Group	*45.2*	*43.5*	*60.1*
Financial highlights			
Net Invested Capital (NIC)	821.7	813.7	784.4
Consolidated Net Financial Position	(397.4)	(401.9)	(380.3)
Shareholders' equity	424.3	411.8	404.1
Balance sheet figures and financial ratios			
Gross margin as a percentage of net revenues (%)	26.3%	29.1%	27.7%
Net profit as a percentage of net revenues (%)	4.3%	4.8%	3.6%
ROS (Operating income/net revenues)	8.1%	8.9%	6.7%
ROE (Net profit/shareholders' equity)	10.7%	10.6%	14.9%
ROI (Operating income/NIC)	10.4%	9.9%	14.4%
EBITDA	152.2	144.6	240.6
EBITDA/net revenues (%)	14.5%	16.0%	14.4%
Other information			
Sales volumes (unit/000)	320.6	287.1	536.0
Investments in property, plant and equipment and intangible assets	66.6	69.1	154.1
Employees at the end of the period (number)	6,762	6,348	5,702

Results by operating segments

		EMEA and AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
Sales volumes (units/000)	1st half of 2022	158.3	72.2	90.1	**320.6**
	1st half of 2021	148.8	67.4	70.9	**287.1**
	Change	9.6	4.8	19.2	**33.5**
	Change %	6.4%	7.1%	27.0%	**11.7%**
Turnover (million Euros)	1st half of 2022	679.5	140.1	233.5	**1,053.1**
	1st half of 2021	628.6	106.6	166.5	**901.7**
	Change	50.9	33.5	67.0	**151.4**
	Change %	8.1%	31.4%	40.3%	**16.8%**
Average number of staff (no.)	1st half of 2022	3,875.3	1,480.2	1,093.0	**6,448.5**
	1st half of 2021	3,760.3	1,581.5	997.2	**6,339.0**
	Change	115.0	(101.3)	95.8	**109.5**
	Change %	3.1%	-6.4%	9.6%	**1.7%**
Investment in property plant and equipment and intangible assets (million Euros)	1st half of 2022	41.2	8.1	17.4	**66.6**
	1st half of 2021	56.9	6.4	5.7	**69.1**
	Change	(15.7)	1.7	11.6	**(2.4)**
	Change %	-27.6%	26.1%	202.9%	**-3.5%**

GROUP PROFILE

The Piaggio Group, based in Pontedera (Pisa, Italy) is Europe's largest manufacturer of two-wheeler motor vehicles and an international leader in its field. Today the Piaggio Group has three distinct souls:

- two-wheelers, scooters and motorbikes from 50cc to 1100cc, with 449,700 vehicles sold in 2021. The Group's brands include: Piaggio (scooters include the Liberty, Beverly, Medley and MP3 models), Vespa, Aprilia (with Aprilia Racing in the MotoGP championship) and Moto Guzzi;
- light commercial vehicles, three-wheelers (Ape) and four-wheelers (Porter NP6) with 86,300 vehicles sold in 2021;
- the robotics division with Piaggio Fast Forward, the Group's research centre on the mobility of the future based in Boston.

Mission

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

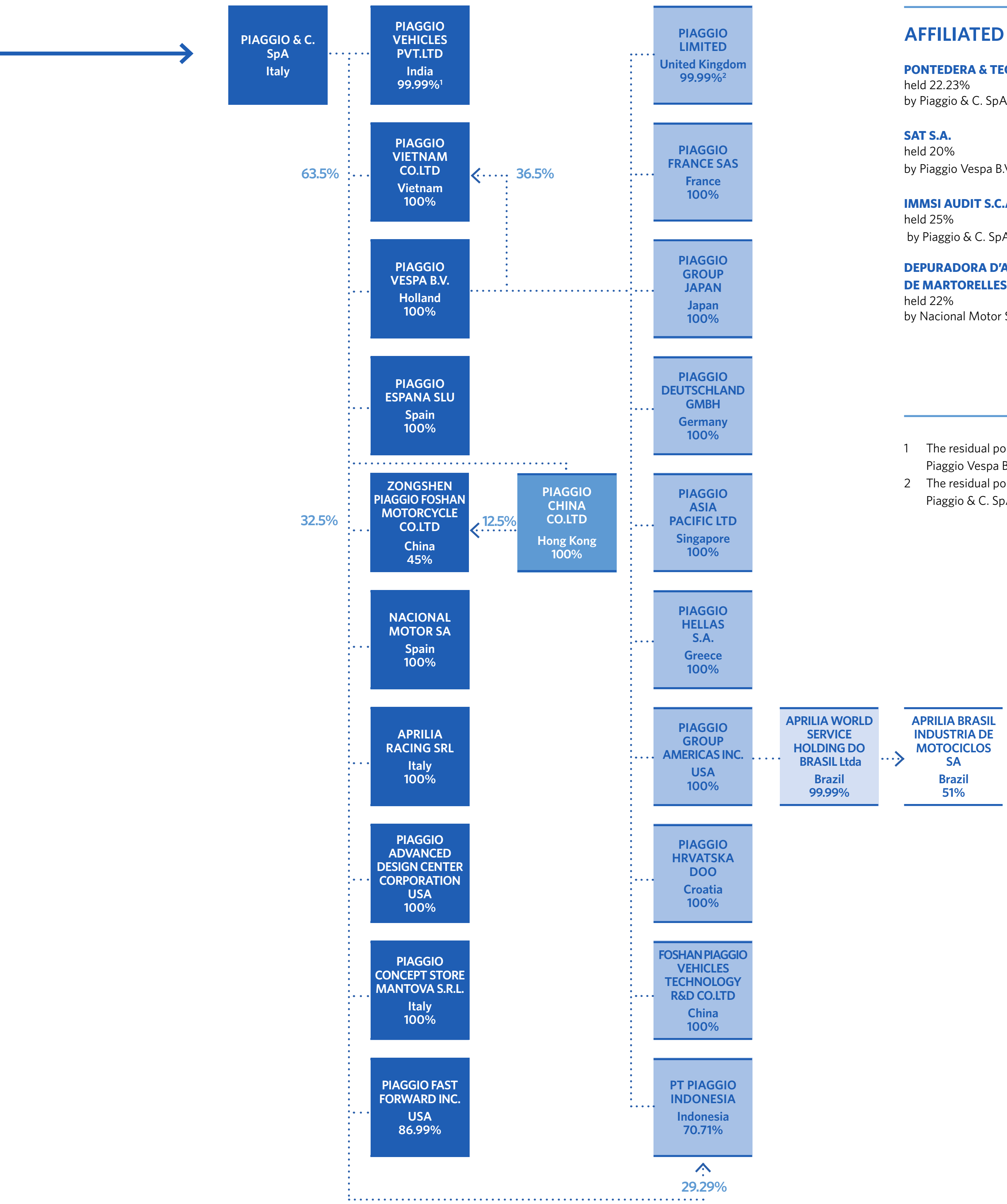
We are committed to broadening the horizons of our brands and products by constantly promoting technological innovation, uniqueness of design, attention to quality and safety, respecting communities and the environment.

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

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

For these reasons, we are not just vehicle manufacturers.
Through technological and social progress, we champion global mobility, in a responsible and sustainable way. Our aim is to make the quality of our life and that of future generations better.

COMPANY STRUCTURE AT 30 JUNE 2022



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.

1 The residual portion is held by Piaggio Vespa B.V.
2 The residual portion is held by Piaggio & C. SpA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COMPANY BOARDS

BOARD OF DIRECTORS	
Chairman and Chief Executive Officer	Roberto Colaninno (1), (2)
Deputy Chairman	Matteo Colaninno
Directors	Michele Colaninno
	Graziano Gianmichele Visentin (3), (4), (5), (6), (7)
	Rita Ciccone (4), (5), (6), (7)
	Patrizia Albano
	Federica Savasi
	Micaela Vescia (4), (6)
	Andrea Formica (5), (7)
BOARD OF STATUTORY AUDITORS	
Chairman	Piera Vitali
Statutory Auditors	Giovanni Barbara
	Massimo Giaconia
Alternate Auditors	Fabrizio Piercarlo Bonelli
	Gianmarco Losi
SUPERVISORY BODY	
	Antonino Parisi
	Giovanni Barbara
	Fabio Grimaldi
Chief Financial Officer and Executive in Charge of financial reporting	Alessandra Simonotto
Independent Auditors	Deloitte & Touche S.p.A.
Board Committees	Appointment Proposal Committee
	Remuneration Committee
	Internal Control Risk and Sustainability Committee
	Related-Party Transactions Committee

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

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

SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2022

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

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

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

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

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

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

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

15 June 2022 - Michele Colaninno, Chief Executive of global strategy, product, marketing and innovation of the Piaggio Group, was appointed President of ACEM (Association des Constructeurs Européens de Motocycles), the European motorcycle industry based in Brussels, whose members today include all the world's leading motorcycle and scooter groups.

20 June 2022 - Piaggio signed an agreement with a syndicate of banks to extend and increase the revolving loan facility of €187.5 million, formalised in 2018. The amount was raised to €200 million and subscribed by Bank of America Merrill Lynch, Banca Nazionale del Lavoro, HSBC, Intesa Sanpaolo, ING Bank and Unicredit. The operation is mainly aimed at extending the revolving loan facility expiring in July 2022 by two and a half years, and will make it possible to improve the qualitative profile of the Piaggio Group's financial debt, increasing its financial flexibility and residual average life.

28 June 2022 - The new Piaggio MP3 models were presented to the international press in Paris. The three-wheeler, an icon of metropolitan mobility, is now available as a new range of lighter, high-performance models that have been completely redesigned from every technical point of view. Fitted with the new radar systems developed by Piaggio Fast Forward to deliver a safer riding experience, the new scooters feature modern 400 and 530 hpe engines.

FINANCIAL POSITION AND PERFORMANCE OF THE GROUP

CONSOLIDATED INCOME STATEMENT

Consolidated income statement (reclassified)

	1ST HALF OF 2022		1ST HALF OF 2021		CHANGE	
	IN MILLIONS OF EUROS	ACCOUNTING FOR A %	IN MILLIONS OF EUROS	ACCOUNTING FOR A %	IN MILLIONS OF EUROS	%
Net revenues	1,053.1	100.0%	901.7	100.0%	151.4	16.8%
Cost of goods sold	776.0	73.7%	639.7	70.9%	136.3	21.3%
Gross industrial margin	**277.1**	**26.3%**	**261.9**	**29.1%**	**15.1**	**5.8%**
Operating expenses	191.3	18.2%	181.6	20.1%	9.7	5.3%
Operating income	**85.8**	**8.1%**	**80.4**	**8.9%**	**5.4**	**6.7%**
Result of financial items	(12.9)	-1.2%	(10.2)	-1.1%	(2.7)	26.4%
Profit before tax	**72.9**	**6.9%**	**70.2**	**7.8%**	**2.7**	**3.9%**
Taxes	27.7	2.6%	26.7	3.0%	1.0	3.9%
Net profit	**45.2**	**4.3%**	**43.5**	**4.8%**	**1.7**	**3.9%**
Operating income	**85.8**	**8.1%**	**80.4**	**8.9%**	**5.4**	**6.7%**
Amortisation/depreciation and impairment costs	66.4	6.3%	64.2	7.1%	2.2	3.5%
EBITDA	**152.2**	**14.5%**	**144.6**	**16.0%**	**7.6**	**5.3%**

Net revenues

	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
IN MILLIONS OF EUROS			
EMEA and Americas	679.5	628.6	50.9
India	140.1	106.6	33.5
Asia Pacific 2W	233.5	166.5	67.0
TOTAL NET REVENUES	**1,053.1**	**901.7**	**151.4**
Two-wheelers	875.8	761.0	114.8
Commercial Vehicles	177.3	140.7	36.6
TOTAL NET REVENUES	**1,053.1**	**901.7**	**151.4**

In terms of consolidated turnover, the Group ended the first half of 2022 with net revenues up compared to the same period in 2021 (+16.8%).
The increase concerned all markets: EMEA and Americas (+8.1%), India, (+31.4%; +23.3% at constant exchange rates) and Asia Pacific (40.3%; +29.2% at constant exchange rates).
As regards the product type, the growth concerned both two-wheeler vehicles (+15.1%) and commercial vehicles (+26.0%). As a result, the percentage of commercial vehicles accounting for overall turnover went up from 15.6% in the first half of 2021 to the current figure of 16.8%; vice versa, the percentage of two-wheeler vehicles fell from 84.4% in the first six months of 2021 to the current figure of 83.2%.

The Group's **gross industrial margin** increased in absolute terms by €15.1 million compared to the first half of the previous year, equal to 26.3% of net turnover (29.1% as of 30 June 2021).
Amortisation/depreciation included in the gross industrial margin was equal to €19.8 million (€17.7 million in the first half of 2021).

Operating expenses incurred in the period went up compared to the same period of the previous financial year (+5.3%), amounting to €191.3 million. This performance is closely linked to the increase in turnover and vehicles sold.

The change in the aforementioned income statement resulted in an increase in consolidated **EBITDA** which was equal to €152.2 million (€144.6 million in the first half of 2021). In relation to turnover, EBITDA was equal to 14.5% (16.0% in the first half of 2021).

Operating income (**EBIT**) amounted to €85.8 million, again a strong increase on the first six months of 2021; in relation to turnover, EBIT was equal to 8.1% (8.9% in the first half of 2021).

Financing activities showed a net expense of €12.9 million (€10.2 million as of 30 June 2021). The deterioration compared to the first six months of the previous year was essentially due to foreign-exchange losses and the expense from equity investments, partially mitigated by the reduction in the average cost of debt and by the greater capitalisation of interest linked to long-term investments.

Income taxes for the period are estimated to be €27.7 million, equivalent to 38% of profit before tax.

Net profit stood at €45.2 million (4.3% of turnover), up on the figure for the same period of the previous financial year, when it amounted to €43.5 million (4.8% of turnover).

Operating data

VEHICLES SOLD

	1ST HALF 2022	1ST HALF 2021	CHANGE
IN THOUSANDS OF UNITS			
EMEA and Americas	158.3	148.8	9.6
India	72.2	67.4	4.8
Asia Pacific 2W	90.1	70.9	19.2
TOTAL VEHICLES	**320.6**	**287.1**	**33.5**
Two-wheelers	271.6	242.8	28.7
Commercial Vehicles	49.0	44.2	4.8
TOTAL VEHICLES	**320.6**	**287.1**	**33.5**

During the first half of 2022, the Piaggio Group sold 320,600 vehicles worldwide, recording an increase of 11.7% compared to the first six months of the previous year, when vehicles sold amounted to 287,100. Sales increased in all geographic segments.
Regarding product type, sales of Two-Wheeler vehicles grew (+11.8%), as well as sales of Commercial Vehicles (+10.8%).

STAFF

In the first half of 2022, the average workforce increased overall (+109.5 units).
Only India recorded a reverse trend.

AVERAGE NUMBER OF COMPANY EMPLOYEES BY GEOGRAPHIC SEGMENT	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
EMPLOYEE/STAFF NUMBERS			
EMEA and Americas	3,875.3	3,760.3	115.0
of which Italy	*3,601.7*	*3,489.0*	*112.7*
India	1,480.2	1,581.5	(101.3)
Asia Pacific 2W	1,093.0	997.2	95.8
Total	**6,448.5**	**6,339.0**	**109.5**

The number of Group employees as of 30 June 2022 was up in all geographic areas compared to 31 December 2021. Employees totalled 6,762, an increase of 1,060 units compared to 31 December 2021 and of 414 units compared to 30 June 2021.

BREAKDOWN OF COMPANY EMPLOYEES BY GEOGRAPHIC SEGMENT	AS OF 30 JUNE 2022	AS OF 31 DECEMBER 2021	AS OF 30 JUNE 2021
EMPLOYEE/STAFF NUMBERS			
EMEA and Americas	4,113	3,295	3,837
of which Italy	*3,839*	*3,026*	*3,564*
India	1,527	1,328	1,480
Asia Pacific 2W	1,122	1,079	1,031
Total	**6,762**	**5,702**	**6,348**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION[3]

STATEMENT OF FINANCIAL POSITION	AS OF 30 JUNE 2022	AS OF 31 DECEMBER 2021	CHANGE
IN MILLIONS OF EUROS			
Net working capital	(184.0)	(196.0)	12.0
Property, plant and equipment	288.5	283.0	5.5
Intangible assets	723.4	720.2	3.2
Rights of use	38.7	30.7	8.0
Financial assets	11.4	11.2	0.2
Provisions	(56.3)	(64.8)	8.5
Net Invested Capital	**821.7**	**784.4**	**37.3**
Net financial debt	397.4	380.3	17.1
Shareholders' equity	424.3	404.1	20.2
Sources of financing	**821.7**	**784.4**	**37.3**
Non-controlling interests	(0.2)	(0.1)	(0.0)

Net working capital as of 30 June 2022, which was negative by €184.0 million, used cash for approximately €12.0 million in the first six months of 2022.

Property, plant and equipment amounted to €288.5 million as of 30 June 2022, registering an increase of approximately €5.5 million compared to 31 December 2021. This increase is mainly due to the strengthening of the Indian rupee and Vietnamese dong against the euro (approximately €3.4 million), investments for the period, which exceeded depreciation by approximately €2.6 million, as well as disposals of €0.5 million.

Intangible assets totalled €723.4 million, up by approximately €3.2 million compared to 31 December 2021. This growth is mainly due to investments for the period, which exceeded amortisation by approximately €2.7 million and the strengthening of the Indian rupee and Vietnamese dong against the euro (approximately €1.0 million), as well as writedowns/disposals of €0.5 million.

Rights of use, equal to €38.7 million, increased by approximately €8.0 million compared to figures as of 31 December 2021.

Financial assets which totalled €11.4 million, increased slightly compared to figures for the previous year (€11.2 million).

Provisions totalled €56.3 million, down compared to 31 December 2021 (€64.8 million).

As fully described in the next section on the "Consolidated Statement of Cash Flows", **net financial debt** as of 30 June 2022 was equal to €397.4 million, compared to €380.3 million as of 31 December 2021. The increase of approximately €17.1 million is mainly due to the seasonal nature of two-wheelers which, as is well-known, uses resources in the first part of the year and generates them in the second half.

Net financial debt decreased by approximately €4.5 million compared to 30 June 2021.

Group **shareholders' equity** as of 30 June 2022 amounted to €424.3 million. The growth of approximately €20.2 million compared to 31 December 2021 was mitigated by €23.2 million from the payment of dividends.

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

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 2022"; the following is a comment relating to the summary statement shown.

CHANGE IN CONSOLIDATED NET FINANCIAL POSITION	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
IN MILLIONS OF EUROS			
Opening Consolidated Net Financial Position	**(380.3)**	**(423.6)**	**43.3**
Cash Flow from Operating Activities	98.9	101.7	(2.8)
(Increase)/Reduction in Net Working Capital	(12.0)	(9.5)	(2.5)
Net Investments	(66.6)	(69.1)	2.4
Other changes	(12.4)	2.4	(14.7)
Change in Shareholders' Equity	(25.0)	(3.7)	(21.3)
Total Change	**(17.1)**	**21.8**	**(38.8)**
Closing Consolidated Net Financial Position	**(397.4)**	**(401.9)**	**4.5**

During the first half of 2022 the Piaggio Group used **financial resources** amounting to €17.1 million.

Cash flow from operating activities, defined as net profit, minus non-monetary costs and income, was equal to €98.9 million.

Net working capital absorbed cash of approximately €12.0 million; in detail:
- the collection of trade receivables[4] used financial flows for a total of €74.3 million;
- stock management absorbed financial flows for a total of approximately €99.6 million;
- supplier payment trends generated financial flows of approximately €131.4 million;
- the movement of other non-trade assets and liabilities had a positive impact on financial flows by approximately €30.5 million.

Investing activities involved a total of €66.6 million of financial resources. Investments mainly involved the capitalisation of development costs and the construction of a new plant for the assembly of two-wheeler vehicles in Indonesia.
As a result of the above financial dynamics, which involved a cash absorption of €17.1 million as described, the **net financial position** of the Piaggio Group amounted to €-397.4 million.

4 Net of customer advances.

ALTERNATIVE NON-GAAP PERFORMANCE MEASURES

In accordance with Consob Communication DEM/6064293 of 28 July 2006 as amended (Consob Communication 0092543 of 3 December 2015 that enacts ESMA/2015/1415 guidelines on alternative performance measures), Piaggio, in its Report on Operations, refers to some alternative performance measures, in addition to IFRS financial measures (Non-GAAP Measures).
These are presented in order to measure the trend of the Group's operations to a better extent and should not be considered as an alternative to IFRS measures.
In particular the following alternative performance measures have been used:

- **EBITDA:** defined as "Operating income" before the amortisation/depreciation and impairment costs of intangible assets, property, plant and equipment and rights of use, as resulting from the consolidated income statement;
- **Gross industrial margin:** defined as the difference between net revenues and the cost of goods sold;
- **Cost of goods sold:** 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 Financial Posistion:** this consists of gross financial debt, including payables for rights of use, minus cash on hand and other cash and cash equivalents, as well as other current financial receivables. Consolidated Net Financial Position does not include other financial assets and liabilities arising from the fair value measurement of financial derivatives used as hedging and otherwise, and the fair value adjustment of related hedged items and associated deferrals. The notes to the Consolidated Financial Statements include a table indicating the statement of financial position items used to determine the measure.

RESULTS BY TYPE OF PRODUCT

The Piaggio Group is comprised of and operates by geographic segments – EMEA and Americas, India and Asia Pacific 2W – to develop, manufacture and distribute two-wheeler and commercial vehicles.
Each Geographic Segment has production sites and a sales network dedicated to customers in that geographic segment. In particular:
- EMEA and Americas have production sites and deal with the distribution and sale of two-wheeler and commercial vehicles;
- India has production sites and deals with the distribution and sale of two-wheeler and commercial vehicles;
- Asia Pacific 2W has production sites and deals with the distribution and sale of two-wheeler vehicles.

For details of final results from each operating segment, reference is made to the Notes to the Consolidated Financial Statements.
The volumes and turnover in the three geographic segments, also by product type, are analysed below.

TWO-WHEELERS

TWO-WHEELERS	1ST HALF OF 2022		1ST HALF OF 2021		CHANGE %		CHANGE	
	VOLUMES SELL-IN (UNITS/ 000)	TURNOVER (MILLION EUROS)	VOLUMES SELL-IN (UNITS/ 000)	TURNOVER (MILLION EUROS)	VOLUMES	TURNOVER	VOLUMES	TURNOVER
EMEA and Americas	151.4	609.4	139.4	564.9	8.6%	7.9%	12.0	44.5
of which EMEA	136.7	532.9	127.8	512.3	7.0%	4.0%	8.9	20.6
(of which Italy)	*28.3*	*120.6*	*31.3*	*132.8*	*-9.5%*	*-9.2%*	*(3.0)*	*(12.3)*
of which America	14.6	76.5	11.6	52.6	26.3%	45.4%	3.0	23.9
India	30.2	33.0	32.6	29.6	-7.4%	11.2%	(2.4)	3.3
Asia Pacific 2W	90.1	233.5	70.9	166.5	27.0%	40.3%	19.2	67.0
TOTAL	**271.6**	**875.8**	**242.8**	**761.0**	**11.8%**	**15.1%**	**28.7**	**114.8**
Scooters	238.9	563.9	217.3	517.1	10.0%	9.1%	21.6	46.8
Motorcycles	32.7	237.3	25.5	173.4	27.8%	36.9%	7.1	63.9
Spare Parts and Accessories		73.9		69.5		6.3%		4.4
Other		0.7		1.0		-31.3%		(0.3)
TOTAL	**271.6**	**875.8**	**242.8**	**761.0**	**11.8%**	**15.1%**	**28.7**	**114.8**

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

Background

World markets have generally remained below pre-Covid levels, although some showed growth.

India, the most important two-wheeler market, reported an increase in the first six months of 2022, closing with sales of over 7 million vehicles, up by 4.7% compared to the first half of 2021.

The People's Republic of China recorded a decrease in the first six months of 2022 (-17.2%), closing at almost 2.55 million vehicles sold.

According to the data available so far for Asia, Indonesia - the main market in this area - contracted by 8.3% in the first six months of 2022, to around 2.25 million vehicles.
On the other hand, registrations in Vietnam increased (over 1.4 million units sold; +2.9% compared to the first half of 2021). The other countries in the Asian area (Singapore, Hong Kong, South Korea, Japan, Taiwan, New Zealand and Australia) overall recorded a decrease of approximately 9.2% compared to the first half of 2021, closing with sales of around 660 thousand units. In the first six months of the year, the Japanese market grew slightly (+0.5%), selling around 205.5 thousand units.

The North American market recorded a fall compared to the first half of 2021 (-4.4%), selling 343,433 vehicles.

Europe, which is the reference area for the Piaggio Group's operations, reported an increase in sales on the two-wheeler market (+1.7%) compared to the first half of 2021 (-0.3% for the motorcycle segment and +3.9% for the scooter segment).

The scooter market

In the first half of 2022, the European scooter market accounted for 411,320 registered vehicles, equal to a 3.9% increase in sales compared to the same period of 2021.

MARKET	VEHICLE REGISTRATIONS		CHANGE	CHANGE %		
	1ST HALF OF 2022	1ST HALF OF 2021		OVERALL	≤ 50 CC	> 50 CC
Italy	91,229	99,920	(8,691)	-8.7%	17.4%	-10.9%
France	68,089	71,500	(3,411)	-4.8%	-11.4%	3.0%
Spain	58,810	48,932	9,878	20.2%	-9.3%	25.1%
Germany	49,484	40,245	9,239	23.0%	37.7%	15.0%
Holland	35,303	40,440	(5,137)	-12.7%	-13.7%	14.4%
Greece	25,149	19,417	5,732	29.5%	62.1%	27.4%
United Kingdom	16,924	15,978	946	5.9%	0.5%	6.9%
Europe	411,320	395,697	15,623	3.9%	0.2%	5.9%

Vehicle registrations were higher in the over 50cc segment, with 276,838 units compared to 134,482 units in the 50cc scooter segment. Over 50cc scooters reported an increase of 5.9%, while the 50cc segment recorded slight growth (+0.2%).

North America

In the first half of 2022, the United States, the main market in the area (88.1% of the reference area), recorded an increase of 30.1%, with 16,142 units sold: in the 50cc segment, there was a decrease (-7.6%), while over 50cc scooters increased (+62.7%).

India

The automatic scooter market increased (+14.7%) in the first half of 2022, closing with 2.26 million units.
The over 90cc range is the main product segment, with nearly 2.16 million units sold in the first half of 2022 (+11.8% compared to the first half of the previous year) and accounting for 95.5% of the total automatic scooter market. The 50 cc scooter segment is not operative in India.

The motorcycle market

Europe

With 446,034 units registered, the motorcycle market reported a slight downturn in the first half of 2022 (-0.3% compared to the first half of 2021). The 50cc segment recorded a 12.2% increase, closing the period with 21,481 units sold; sales in the 51-125cc motorcycle segment fell to 80,328 units (-0.2%), while the 126-750cc segment reported sales of 161,780 units (+5.5%). The over 750cc segment recorded a 6.0% decrease, with 182,445 units sold.

MARKET	VEHICLE REGISTRATIONS		CHANGE	CHANGE %
	1ST HALF OF 2022	1ST HALF OF 2021		
France	83,023	88,593	(5,570)	-6.3%
Germany	87,026	88,681	(1,655)	-1.9%
Italy	81,673	76,688	4,985	6.5%
United Kingdom	46,885	41,874	5,011	12.0%
Spain	41,933	42,815	(882)	-2.1%
Europe	446,034	447,200	(1,166)	-0.3%

North America

In the United States (accounting for 87.7% of the area), the motorcycle segment recorded a 4.8% fall, selling 285,102 units against 299,456 units in the first half of 2021. The over 50cc segment declined by 4.7%, while the 50cc motorcycle segment fell by 7.0%.

Asia

The most important motorcycle market in Asia is India, which reported sales of nearly 4.6 million vehicles in the first half 2022, with a slight increase over the first half of 2021 (+0.7%).
The motorcycle market in the Asean 5 area is far less important than the scooter sector. Sales of motorcycles in Vietnam were not significant.

Main results

In the first six months of 2022, the Piaggio Group sold a total of 271,600 two-wheeler vehicles worldwide, accounting for a net turnover equal to approximately €875.8 million, including spare parts and accessories (€73.9 million, +6.3%).
Overall, volumes grew by 11.8% while turnover grew by 15.1%.
As shown in the table, all markets showed positive trends except Italy (-9.5% volumes; -9.2% turnover) and India in terms of volumes (-7.4%). Sales in the Indian market were up 11.2% (+4.8% at constant exchange rates).

Market positioning[5]

On the European market, the Piaggio Group attained an overall share of 12.8% in the first half of 2022, compared to 13.0% in the first half of 2021, confirming its leadership position in the scooter segment (22.5% in the first half of 2022 compared to 23.0% in the first half of 2021).
In Italy, the Piaggio Group achieved a share of 15.8% (17.7% in the first half of 2021) which grew in the scooter segment to 24.9% (27.7% in the first half of 2021, benefiting from the positive contribution of a significant order from Poste Italiane).

The Group's position on the North American scooter market instead decreased, where it ended the period with a share of 31.0% (35.1% in the first half of 2021).

COMMERCIAL VEHICLES

COMMERCIAL VEHICLES	1ST HALF OF 2022		1ST HALF OF 2021		CHANGE %		CHANGE	
	VOLUMES SELL-IN (UNITS/000)	TURNOVER (MILLION EUROS)	VOLUMES SELL-IN (UNITS/000)	TURNOVER (MILLION EUROS)	VOLUMES	TURNOVER	VOLUMES	TURNOVER
EMEA and Americas	6.9	70.1	9.4	63.7	-26.0%	10.0%	(2.4)	6.4
of which EMEA	4.6	65.4	7.1	60.0	-35.1%	9.0%	(2.5)	5.4
(of which Italy)	*2.7*	*43.9*	*2.3*	*33.1*	*19.2%*	*32.3%*	*0.4*	*10.7*
of which America	*2.4*	*4.7*	*2.3*	*3.7*	*2.0%*	*26.3%*	*0.0*	*1.0*
India	42.1	107.2	34.8	77.0	20.7%	39.2%	7.2	30.2
TOTAL	**49.0**	**177.3**	**44.2**	**140.7**	**10.8%**	**26.0%**	**4.8**	**36.6**
Ape	45.6	96.5	41.3	76.8	10.5%	25.6%	4.3	19.7
Porter	3.4	53.2	2.9	42.2	15.3%	26.2%	0.5	11.1
Spare Parts and Accessories		27.5		21.7		27.0%		5.9
TOTAL	**49.0**	**177.3**	**44.2**	**140.7**	**10.8%**	**26.0%**	**4.8**	**36.6**

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.

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

Background

Europe
In the first six months of 2022, the European light commercial vehicles market (vehicles with a maximum mass less than or equal to 3.5 tons), in which the Piaggio Group operates, recorded sales of 798,115 units, a 24.0% decrease compared to the first six months of 2021 (data source ACEA). In detail, the trends of main European reference markets are as follows: France (-24.4%), Germany (-22.1%), Great Britain (-24.6%), Spain (-35.4%) and Italy (-11.6%).

India
Sales on the Indian three-wheeler market, where Piaggio Vehicles Private Limited, a subsidiary of Piaggio & C. S.p.A. operates, went down from 111,136 units in the first six months of 2021 to 159,399 units in the same period of 2022, registering a 43.4% increase.
On this market, the growth was due particularly to the passenger vehicles segment, which recorded a marked increase in units (+53.8%) from 73,449 in the first six months of 2021 to 112,994 units in the first six months of 2022. However, the cargo segment showed a solid increase (+18.6%) from 37,687 units in the first half of 2021 to 44,688 units in the first six months of 2022.

Main results

During the first six months of 2022, the Commercial Vehicles business generated a turnover of approximately €177.3 million, up by 26.0% compared to the same period of the previous year.
In terms of turnover, all markets showed positive trends. With regard to volumes, on the other hand, the positive performance of the Italian (+19.2%), American (+2.0%) and Indian (+20.7%) markets was partially offset by the decline in EMEA (-35.1%).
With regard to the Indian region, turnover was up 39.2% (+30.4% at constant exchange rates).
The Indian affiliate Piaggio Vehicles Private Limited (PVPL) sold 31,645 three-wheelers on the Indian market (26,107 in the first six months of 2021).
The Indian affiliate also exported 10,412 three-wheeler vehicles (8,736 in the first half of 2021).

Market positioning[6]

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 19.9% (23.7% in the first six months of 2021).
Detailed analysis of the market shows that Piaggio lost its leadership position in the goods transport segment (cargo segment) with a share of 32.7% (37.7% in the first half of 2021). In the Passenger segment, its share stood at 15.1% (21.7% in the first six months of 2021).

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

REGULATORY FRAMEWORK

European Union

European Green Deal / "Fit for 55"

In order to implement the "European Green Deal", which aims to reduce CO_2 emissions by 50% by 2030 and achieve climate neutrality (zero emissions) by 2050, the European Commission presented in July 2021 the "Fit for 55" package, a set of legislative proposals on the climate. Among the proposals presented by the Commission, there is also the ban on combustion engines from 2035 onwards and the elimination of exemptions for small manufacturers starting from 2030. The Council and the European Parliament have also expressed their views on these issues, initiating a negotiation (trilogue) which is still underway. For the moment, the European Council has reached an agreement which provides for the following: a 55% reduction in emissions for cars and a 50% reduction for commercial vehicles by 2030, and a ban on combustion engines starting from 2035. In 2026, however, a review clause is envisaged, for which the European Commission will have to evaluate the sustainability of these targets, also in light of technological developments. The exceptions for small manufacturers remain in place until 2035, while the European Parliament has called for a ban on combustion engines by 2035 and confirmed the exceptions for small manufacturers.

Emissions

With the new Regulation (EU) 2019/631, European institutions approved new limits for CO_2 emissions for cars and light commercial vehicles (VTL) post-2020. An EU fleet-wide target of 147g CO_2/km for the average emissions of new light commercial vehicles (95g CO_2/km for cars) for 2030 has been confirmed, and a gradual reduction in CO_2 emissions (g/Km) of 15% by 2025 and of 31% by 2030 has been decided, compared to 2021. However, the new Regulation still allows manufacturers producing less than 22,000 units a year to request an extension until 2030. In any case, these limits will be discussed in the Fit-for-55 package.
The Commission also started work on a study of future post-Euro 6 limits for cars, beginning preliminary activities in the second half of 2019 and holding consultations with stakeholders to analyse the results of the commissioned study. A Euro 7 legislative proposal could therefore be presented during 2022. Any developments in the car world could possibly have repercussions on the two-wheeler segment.

Battery regulations

In line with the objectives of the European Green Deal, the European Commission presented a Proposal for a Regulation that aims to modernise the legislative framework for batteries, and encourage the production of batteries and accumulators that are more sustainable throughout their entire life cycle, introducing a new classification by use and specific targets to ensure recycling and reuse. There will be an obligation to use responsibly sourced materials and a restriction on the use of hazardous substances. At the same time, minimum recycled content, carbon footprint, efficiency, durability, labelling, as well as compliance with collection and recycling targets will become essential constraints for the development of a more sustainable and competitive battery industry across Europe and the world. The Proposal for a Regulation is following its legislative process and will be discussed in a joint decision by the European Parliament and European Council. In the latest proposals of the Council and the European Parliament, some exemption clauses have been introduced for the batteries of "Light Means of Transport", i.e. the batteries of all means of transport under 25 kg.
In September 2021, Piaggio, together with Honda, Yamaha and KTM, created the Swappable Batteries Motorcycle Consortium (SBMC) with the aim of developing an international standard for swappable batteries. This technology aims to improve the sustainability of the battery lifecycle, reduce costs and cut recharging times, meeting key consumer needs. Numerous companies have joined the initiative by becoming active members of the Consortium, which today has more than fifteen major world players in the automotive, infrastructure network and battery production sectors.

Sound emissions

The European Commission has started discussions to reach a Legislative Proposal for new noise limits for L-category vehicles. After a first study published in 2017, which was in favour of a drastic lowering of the noise limits, the Commission requested an in-depth study and at the same time a second cost-benefit analysis of a possible reduction of the noise limits for L-category vehicles. This second study was published in June 2022 and will be used as the basis for preparing the legislative proposal of the Commission, which will probably not be submitted before 2024.
In the meantime, national institutions or local authorities have adopted various initiatives, to impose stricter limits on noise emissions, anticipating legal developments at European level.
To prevent a drastic reduction in noise limits, ACEM, the European Association of Motorcycle Manufacturers, has worked on a shared strategy of which the key focus is to revise ASEP noise test procedures bearing in mind real driving conditions. Moreover, a more holistic approach to noise has been defined, which takes into account the widespread practice of motorcyclists replacing original exhausts, necessary controls on the road, and different riding styles.

End of life of vehicles - ELV

At present the EU Directive on end of life of vehicles (ELV) does not apply to two-wheelers. Manufacturers of cars and commercial vehicles are 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 European Commission is considering extending its scope to Category L. A new legislative proposal is currently being prepared and will be launched by the Commission during 2022. European manufacturers of ACEM contributed to the public consultation launched by the European Commission with a view to preparing to extend the ELV regime and calibrate it to two-wheeler requirements.

General vehicle safety regulation

As regards cars and light commercial vehicles, in 2018 revision of the General Vehicle Safety Regulation (GVSR) got underway. European institutions reached an agreement on the new Regulation in April 2019. The new wording (which is still to be published in the European Journal), introduces the obligation to use new active safety devices - ADAS (Advanced Driver Assistance Systems) and non-ADAS for light commercial vehicles. As regards passive safety, the new GVSR extends the scope of some Regulations (including ECE94 for moderate overlap tests and ECE95 for side impact tests) to category N1 vehicles, previously exempt from these obligations. The Piaggio Group, together with national and international trade associations, took an active part in the negotiations held in Geneva and at European level, with a view to promoting rules for application which are not detrimental to vehicles concerned. During the WP29 (World Forum for Harmonization of Vehicle Regulations) in June 2020, some technical implementing rules and specific exemptions were adopted for the frontal, side and rear crash tests of category N1 vehicles. The new ADAS regulation will come into force from July 2022 for new type-approved vehicles and from 2024 for all new vehicles produced.

Emission trading

The fourth phase of the quota trading system (EU-ETS) started in Europe in 2021, during which emission permits will be issued free of charge, using emission factors defined at European level and specific for each industrial sector. For the Pontedera industrial plant, the only site of the Group that falls within the scope of the "Emissions Trading" Directive (Directive 2003/87/EC), a generally lower number of emission permits will be assigned compared to the emissions recorded in the reference year, and it will be necessary to purchase quotas in order to achieve compliance on the emissions market.

Italy

Refinancing electric vehicle incentives - Category L

With a Prime Minister's Decree of 6 April 2022, the Italian government refinanced incentives for the purchase of non-polluting vehicles. The government incentives, in force until 31 December 2022 or in any case until available resources have been used, are for Category L vehicles (electric and Euro 5 engines).
For electric vehicles, this grant, aimed at people who purchase a brand new electric or hybrid vehicle in categories L1e, L2e, L3e, L4e, L5e, L6e, L7e, will be calculated on the percentage of the list price: 30% for purchases up to €3,000 without an old vehicle being scrapped, and 40% for purchases up to €4,000 with an old vehicle being scrapped.

India

Swappable Battery Standardization

The Indian Government has initiated a panel with the Bureau of Indian Standards (BIS) and industry stakeholders in the sector, for the creation of a standard for swappable batteries. The goal is to define standardized removable batteries which are interchangeable between 2 and 3-wheeler vehicles, and charging stations where a flat battery can be quickly exchanged for one already recharged.

Onboard Diagnostics (OBD-II)

For all category L5N and L5M internal combustion engine vehicles, the two-stage implementation of the OBD-II Regulation for Bharat Stage VI (BS VI) vehicles has been planned from 1 April 2023 (moved to April 2024 due to the pandemic) for new products and April 2025 for existing products).

20% ethanol mix in petrol

The Indian government (Ministry of Oil and Natural Gas) has announced that from 1 April 2023, the percentage of ethanol in petrol will rise to 20%. The outlined timeline could be delayed due to the pandemic situation.

"FAME" scheme - incentives

The Indian government recently announced its intention to promote the electrification of three-wheelers and two-wheelers with the aim of 30% of new registrations consisting of electric vehicles by 2025. FAME (Faster Adoption of Electrical Mobility), the scheme adopted by the Indian government in 2015 is part of this strategy, and aims to provide incentives for the purchase of 2, 3 and 4-wheeler electric and hybrid vehicles. In April 2019, the move to the second phase of the programme was officially announced with new funds allocated totalling $1.4 billion (USD) and targeted incentives for the purchase of electric vehicles and the development of charging infrastructure. The scheme got a further boost in June 2021 with the increase in the subsidy structure under FAME II for two-wheelers.

Vietnam

Emissions

Since 1 January 2017, the National Technical Regulation on the Third Level of Emission of Gaseous Pollutants no. 77 issued by the Ministry of Transport in 2014 ("QCVN 77:2014/BGTVT"). This level is equivalent to the Euro 3 standard specified in European Community technical regulations on vehicle gas emissions. Both the current law on environmental protection and the new one, which came into force on 1 January 2022 ('New Law on Environmental Protection'), require all transport vehicles to be certified to Vietnamese environmental regulations. However, at present, only gas emission limitation regulations for cars in circulation exist. In an attempt to reduce environmental pollution, the Vietnamese government also wants to apply gas emission limits to two-wheelers. Local governments in some large cities have worked with authorities and industry associations to test gas emissions of vehicles on the road, to be proposed to the government as a procedure to test and enforce gas emission limitation standards on vehicles.
In 2021, during the Climate Change Conference "COP 26", the Vietnamese Prime Minister declared Vietnam's commitment to achieving zero emissions by 2050. The main actions to be taken to achieve this goal are under discussion. Finally, with a government decree of 5 April 2022, 5 major cities (Hanoi, Ho Chi Minh, Danang, Cao Tho and Hai Phong) were asked to study and implement by 2030 a provision to limit the transit of motorcycles, in line with the conditions for public transport and infrastructure, as a measure to reduce pollution.

Energy label

In order to reduce environmental pollution and ensure buyers are aware and informed, the government has introduced energy labelling for motorbikes. With Circular 59/2018/TT-BGTVT, the Ministry of Transport has regulated energy labelling for manufactured, assembled and imported motorbikes and mopeds. The energy label must be affixed to the motorbike by the manufacturer/importer/retailer and kept on the vehicle until it is delivered to the final customer.

Recycling/End-of-Life

The new law on environmental protection, which came into force on 1 January 2022, requires producers and importers of products that can be recycled to recycle waste products according to a mandatory proportion and method. Generally, manufacturers and importers can opt to organise the recycling themselves, hire an agency, authorize a third party or pay the Environmental Fund to manage the recycling on their behalf. The new decree 08/2022/ND-CP on environmental protection, which came into force on 10 January 2022, sets out the responsibilities of producers and importers that are required to recycle accumulators, batteries, lubricating oil, inner tubes and tyres from 1 January 2024, and from 1 January 2027 of scrapped motorcycles. Producers and importers are also required to register their annual recycling plan and submit a recycling report of the previous year to the MONRE (Ministry of Natural Resources and the Environment) no later than 31 March of each year, unless they opt to pay into the Environment Fund. A different mandatory recycling ratio is set for each waste product; for motorcycles this is 0.5% of the annual sales volume.

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, the Group 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 Consolidated Non-Financial Statement included in the 2021 Financial Statements.

EXTERNAL RISKS

Risks related to the macroeconomic and geopolitical 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. To achieve this, the Group focuses on research activities, and in particular on the development of engines with a low consumption and a low or zero environmental impact.

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 and is trying 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, cost-effective, reliable and safe, and by consolidating its presence in the geographic segments 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.
Unfavourable changes in the regulatory and/or legal framework at a 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 has always invested in research and development into innovative products, anticipating any restrictions on current regulations. Moreover, the Group, 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 and climate change

The Group operates through industrial sites located in Italy, India and Vietnam. These sites could be affected by natural events, such as earthquakes, typhoons, flooding and other catastrophes linked to climate change that may damage sites and also slow down/interrupt production and sales.
Continual renewal of the sites prevents these risk scenarios. The potential impact of these risks is mitigated by specific insurance cover taken out for various sites based on their relative importance.

Risks connected with the pandemic

If a pandemic spreads and measures are adopted by various governments to contain the virus, the Group could be negatively affected as regards:
- the procurement chain: suppliers might no longer be able to produce/deliver the components necessary to supply production sites;
- production activities: the Group might no longer be able to use the workforce, following government regulations limiting personal movement, or it might be impossible for the company to guarantee a healthy, protected work environment;
- the distribution of products: measures to contain the spread of the virus could require sales outlets to be closed, or the Group might not be able to supply 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 various geographic segments and a sales network present in over 100 nations.
Measures have also been adopted at Group sites to guarantee social distancing, the sanitisation of environments, recording body temperature at entrances, the use of specific PPE (distribution of face masks and sanitising gel) and promote working from home, overseen at central level by an anti-Covid Committee.

Risk connected with the use of new technologies

Piaggio is exposed to the risk deriving from the Group's difficulty in keeping up with technological developments, both regarding the product and processes. To deal with this risk, on the one hand, as regards products, the R&D centres in Pontedera, Noale and the PADc (Piaggio Advance Design Center) in Pasadena carry out research, development and testing of new technological solutions, such as those dedicated to electric vehicles. Piaggio Fast Forward in Boston is also studying innovative solutions to anticipate and respond to the mobility needs of the future.
As regards 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 related to the sales network's ability to guarantee end customers a high quality sales and after-sales service. Piaggio deals with this risk by defining compliance with certain technical/professional standards in contracts, and implementing periodic controls, reinforced by new IT systems designed to improve network monitoring activities and therefore the level of customer service.

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 sustainability requirements in the Corporate Governance Report not being met, as regards economic, environmental, social and product-related aspects.

Risks connected with the definition of strategies

In defining its strategic objectives, the Group could make errors of judgment 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.

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 section 40 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 and 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.

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 above all 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 (i.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 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 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 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 sustainable development model that is 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 by carefully defining the manufacturing technological cycle and by using the best technology and the most modern production methods.
The risks related to accidents/injuries sustained by personnel are mitigated by aligning processes, procedures and structures with applicable Occupational Safety laws, as well as best international standards.
These commitments, set out in the Code of Ethics[7] and confirmed 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.

7 Code of Ethics - Article 8: "Without prejudice to compliance with the specific applicable regulation, the Company pays attention to environmental issues in its decisions, also adopting – where operationally and economically feasible and compatible – environmentally friendly production technologies and methods, with the aim of reducing the environmental impact of its activities".

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 expertise, professionalism and experience necessary to achieve objectives. To offset these risks, the Group has established specific policies for recruitment, career development, training, remuneration and talent management, which are adopted in all countries where the Group operates according to the same principles of merit, fairness and transparency, and focusing 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, the Group was not affected by 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 a Model pursuant to Legislative Decree 231/2001 and a Code of Ethics which sets out the principles and values the entire organisation takes inspiration from.

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 there is a risk that financial reporting for Group stakeholders is not accurate and reliable due to significant errors or the omission of material facts and that the Group provides disclosure required by applicable laws in a manner which is inadequate, inaccurate or untimely.
To deal with these risks, the financial statements are audited by Independent Auditors. Furthermore, it should be noted that the control activity envisaged by Law 262/2005 is also extended to the most important subsidiaries, Piaggio Vehicles Pvt. Ltd, Piaggio Vietnam Co Ltd, Piaggio Group Americas Inc, Aprilia Racing Srl and Foshan Piaggio Vehicles Technology Research and Development 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. To mitigate the occurrence of these risks, Piaggio has adopted a centralised system of controls to improve the Group's IT security.

EVENTS OCCURRING AFTER THE END OF THE PERIOD

No significant events are reported.

OPERATING OUTLOOK

The second quarter of 2022 was again characterised by a complex macroeconomic situation, with some issues deriving from the increase in the prices of raw materials, transport logistics, the Russia-Ukraine war and consequent international geopolitical tensions, and the evolution of the Covid pandemic.
Despite this, thanks to a portfolio of globally unique brands, Piaggio will continue to grow also in the second half of 2022, confirming the investments planned in new products and new plants and strengthening its commitment to ESG issues.
In this general framework, Piaggio will continue to work as always to meet its commitments and objectives, maintaining a constant focus on the efficient management of its economic and financial structure, to respond flexibly and immediately to the challenges and uncertainties of 2022.

TRANSACTIONS WITH RELATED PARTIES

Revenues, costs, payables and receivables as of 30 June 2022 involving parent, subsidiary and associate companies, refer to the sale of goods or services which are a part of normal operations of the Group.
Transactions are carried out at normal market values, depending on the characteristics of the goods and services provided.
Information on related-party transactions, including the information required by Consob communication no. DEM/6064293 of 28 July 2006 is presented in the "Notes to the consolidated financial statements".

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

The Chairman and Chief Executive Officer Roberto Colaninno holds 250,000 shares of the Parent Company Piaggio & C. S.p.A.

ECONOMIC GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

PIAGGIO GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2022

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2022

CONSOLIDATED INCOME STATEMENT

		1ST HALF OF 2022		1ST HALF OF 2021	
		TOTAL	of which related parties	TOTAL	of which related parties
NOTES	IN THOUSANDS OF EUROS				
4	Net revenues	1,053,078		901,671	8
5	Cost for materials	682,144	26,120	557,477	12,724
6	Cost for services and leases and rentals	147,003	648	133,586	844
7	Employee costs	134,526		125,463	
8	Depreciation and impairment costs of property, plant and equipment	24,787		22,673	
8	Amortisation and impairment costs of intangible assets	36,984		37,457	
8	Depreciation of rights of use	4,636		4,060	
9	Other operating income	76,021	269	74,406	246
10	Net reversals (impairment) of trade and other receivables	(1,292)		(1,299)	
11	Other operating costs	11,949	6	13,701	14
	Operating income	**85,778**		**80,361**	
12	Income/(loss) from investments	(80)	(80)	412	433
13	Financial income	584		508	
13	Financial costs	11,756	40	13,221	53
13	Net exchange gains/(losses)	(1,642)		2,103	
	Profit before tax	**72,884**		**70,163**	
14	Taxes for the period	27,696		26,662	
	Profit from continuing operations	**45,188**		**43,501**	
	Assets held for sale:				
15	Profits or losses arising from assets held for sale				
	Net Profit (loss) for the period	**45,188**		**43,501**	
	Attributable to:				
	Owners of the Parent	**45,188**		**43,501**	
	Non-controlling interests	**0**		**0**	
16	**Earnings per share (figures in €)**	**0.127**		**0.122**	
16	**Diluted earnings per share (figures in €)**	**0.127**		**0.122**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		1ST HALF OF 2022	1ST HALF OF 2021
NOTES	IN THOUSANDS OF EUROS		
	Net Profit (loss) for the period (A)	**45,188**	**43,501**
	Items that will not be reclassified in the income statement		
42	Remeasurements of defined benefit plans	3,342	194
	Total	**3,342**	**194**
	Items that may be reclassified in the income statement		
42	Profit (loss) deriving from the translation of financial statements of foreign companies denominated in foreign currency	(416)	1,837
42	Share of Other Comprehensive Income of subsidiaries/associates valued with the equity method	408	493
42	Total profits (losses) on cash flow hedges	(1,580)	3,101
	Total	**(1,588)**	**5,431**
	Other comprehensive income (B)[8]	**1,754**	**5,625**
	Total Profit (loss) for the period (A + B)	**46,942**	**49,126**
	Attributable to:		
	Owners of the Parent	**46,966**	**49,138**
	Non-controlling interests	**(24)**	**(12)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		AS OF 30 JUNE 2022		AS OF 31 DECEMBER 2021	
		TOTAL	of which related parties	TOTAL	of which related parties
NOTES	IN THOUSANDS OF EUROS				
	ASSETS				
	Non-current assets				
17	Intangible assets	723,423		720,209	
18	Property, plant and equipment	288,509		283,041	
19	Rights of use	38,682		30,727	
20	Investment Property				
35	Investments	11,375		11,047	
36	Other financial assets	16		16	
25	Tax receivables	10,909		8,904	
21	Deferred tax assets	56,213		72,479	
23	Trade receivables				
24	Other receivables	23,209		23,628	67
	Total non-current assets	**1,152,336**		**1,150,051**	
27	**Assets held for sale**				
	Current assets				
23	Trade receivables	148,141	459	71,225	610
24	Other receivables	46,151	19,746	57,273	20,018
25	Tax receivables	28,843		17,542	
22	Inventories	378,168		278,538	
36	Other financial assets			176	
37	Cash and cash equivalents	236,653		260,868	
	Total current assets	**837,956**		**685,622**	
	Total assets	**1,990,292**		**1,835,673**	
	SHAREHOLDERS' EQUITY AND LIABILITIES				
	Shareholders' equity				
41	Share capital and reserves attributable to the owners of the Parent	424,446		404,235	
41	Share capital and reserves attributable to non-controlling interests	(173)		(149)	
	Total shareholders' equity	**424,273**		**404,086**	
	Non-current liabilities				
38	Financial liabilities	517,766		532,213	
38	Financial liabilities for rights of use	21,634	1,898	14,536	2,220
28	Trade payables				
29	Other long-term provisions	13,773		17,364	
30	Deferred tax liabilities	5,710		7,495	
31	Retirement funds and employee benefits	27,448		33,070	
32	Tax payables			1,387	
33	Other payables	13,239		12,760	
	Total non-current liabilities	**599,570**		**618,825**	
	Current liabilities				
38	Financial liabilities	86,393		86,840	
38	Financial liabilities for rights of use	8,266	1,126	7,601	1,319
28	Trade payables	757,575	23,517	623,564	16,829
32	Tax payables	23,638		16,976	
33	Other payables	75,518	14,929	63,425	15,037
29	Current portion of other long-term provisions	15,059		14,356	
	Total current liabilities	**966,449**		**812,762**	
	Total Shareholders' Equity and Liabilities	**1,990,292**		**1,835,673**	

CONSOLIDATED STATEMENT OF CASH FLOWS

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

		1ST HALF OF 2022		1ST HALF OF 2021	
		TOTAL	of which related parties	TOTAL	of which related parties
NOTES	IN THOUSANDS OF EUROS				
	OPERATING ACTIVITIES				
	Net Profit (loss) for the period	45,188		43,501	
14	Taxes for the period	27,696		26,662	
8	Depreciation of property, plant and equipment	24,787		22,673	
8	Amortisation of intangible assets	36,564		37,457	
8	Depreciation of rights of use	4,636		4,060	
	Provisions for risks and retirement funds and employee benefits	10,106		12,135	
	Write-downs/(Reinstatements)	1,706		1,300	
	Losses/(Gains) on the disposal of property, plant and equipment	(164)		(46)	
13	Financial income	(584)		(508)	
13	Financial costs	11,756		13,221	
	Income from public grants	(2,784)		(1,426)	
12	Portion of earnings of associates	80		(433)	
	Change in working capital:				
23	(Increase)/Decrease in trade receivables	(78,158)	151	(66,420)	(234)
24	(Increase)/Decrease in other receivables	11,497	339	(12,134)	(250)
22	(Increase)/Decrease in inventories	(99,630)		(72,478)	
28	Increase/(Decrease) in trade payables	134,011	6,688	113,747	6,622
33	Increase/(Decrease) in other payables	12,572	(108)	14,746	339
29	Increase/(Decrease) in provisions for risks	(9,133)		(9,105)	
31	Increase/(Decrease) in retirement funds and employee benefits	(5,539)		(5,398)	
	Other changes	(6,350)		346	
	Cash generated from operating activities	**118,257**		**121,900**	
	Interest paid	(11,259)		(12,201)	
	Taxes paid	(12,554)		(11,010)	
	CASH FLOW FROM OPERATING ACTIVITIES (A)	**94,444**		**98,689**	
	INVESTMENT ACTIVITIES				
18	Investment in property, plant and equipment	(27,400)		(21,426)	
	Sale price, or repayment value, of property, plant and equipment	698		5,610	
17	Investment in intangible assets	(39,243)		(47,625)	
	Sale price, or repayment value, of intangible assets	24		59	
	Public grants collected	579		889	
19	Increases in rights of use	(12,049)		(3,285)	
	Collected interests	546		306	
	CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(76,845)**		**(65,472)**	
	FINANCING ACTIVITIES				
41	Purchase of own shares	(3,552)		(53)	
41	Outflow for dividends paid	(23,203)		(9,285)	
38	Loans received	47,968		83,030	
38	Outflow for repayment of loans	(63,740)		(107,781)	
38	Lease payments for rights of use	(4,578)		(5,432)	
	CASH FLOW FROM FINANCING ACTIVITIES (C)	**(47,105)**		**(39,521)**	
	Increase/(Decrease) in cash and cash equivalents (A+B+C)	(29,506)		(6,304)	
	OPENING BALANCE	**260,856**		**228,906**	
	Exchange differences	5,303		3,839	
	CLOSING BALANCE	**236,653**		**226,441**	

The data for the first half of 2021 have been restated with respect to what was published last year in order to facilitate comparability with the data for the first half of 2022.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Movements from 1 January 2022 / 30 June 2022

					TRANSACTIONS WITH SHAREHOLDERS			
IN THOUSANDS OF EUROS	AS OF 1 JANUARY 2022	EARNINGS FOR THE PERIOD	OTHER COMPREHENSIVE INCOME	TOTAL PROFIT (LOSS) FOR THE PERIOD	ALLOCATION OF PROFITS	DISTRIBUTION OF DIVIDENDS	PURCHASE OF OWN SHARES	AS OF 30 JUNE 2022
NOTES				42	41	41	41	
Share capital	207,614							207,614
Share premium reserve	7,171							7,171
Legal reserve	26,052				2,902			28,954
Reserve for measurement of financial instruments	6,083		(1,580)	(1,580)				4,503
IAS transition reserve	(15,525)							(15,525)
Group translation reserve	(31,026)		16	16				(31,010)
Own shares	(2,019)						(3,552)	(5,571)
Earnings reserve	176,185		3,342	3,342	8,589	(4,994)		183,122
Earnings for the period	29,700	45,188		45,188	(11,491)	(18,209)		45,188
Consolidated Group shareholders' equity	**404,235**	**45,188**	**1,778**	**46,966**	**0**	**(23,203)**	**(3,552)**	**424,446**
Share capital and reserves attributable to non-controlling interests	**(149)**		**(24)**	**(24)**				**(173)**
TOTAL SHAREHOLDERS' EQUITY	**404,086**	**45,188**	**1,754**	**46,942**	**0**	**(23,203)**	**(3,552)**	**424,273**

Movements from 1 January 2021 / 30 June 2021

					TRANSACTIONS WITH SHAREHOLDERS			
IN THOUSANDS OF EUROS	AS OF 1 JANUARY 2021	EARNINGS FOR THE PERIOD	OTHER COMPREHENSIVE INCOME	TOTAL PROFIT (LOSS) FOR THE PERIOD	ALLOCATION OF PROFITS	DISTRIBUTION OF DIVIDENDS	PURCHASE OF OWN SHARES	AS OF 30 JUNE 2021
NOTES				42	41	41	41	
Share capital	207,614							207,614
Share premium reserve	7,171							7,171
Legal reserve	24,215				1,837			26,052
Reserve for measurement of financial instruments	281		3,101	3,101				3,382
IAS transition reserve	(15,525)							(15,525)
Group translation reserve	(38,459)		2,342	2,342				(36,117)
Own shares	(1,966)						(53)	(2,019)
Earnings reserve	170,720		194	194	12,703	(5,717)		177,900
Earnings for the period	18,108	43,501		43,501	(14,540)	(3,568)		43,501
Consolidated Group shareholders' equity	**372,159**	**43,501**	**5,637**	**49,138**	**0**	**(9,285)**	**(53)**	**411,959**
Share capital and reserves attributable to non-controlling interests	**(147)**		**(12)**	**(12)**				**(159)**
TOTAL SHAREHOLDERS' EQUITY	**372,012**	**43,501**	**5,625**	**49,126**	**0**	**(9,285)**	**(53)**	**411,800**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A) GENERAL ASPECTS

Piaggio & C. S.p.A. (the Company) is a joint-stock company established in Italy at the Register of Companies of Pisa. The address of the registered office is Viale Rinaldo Piaggio 25 - Pontedera (Pisa). The main activities of the company and its subsidiaries are set out in the Report on Operations.
These Financial Statements are expressed in Euros (€) since this is the currency in which most of the Group's transactions take place. Transactions in foreign currency are recorded at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the reporting date.

1. Scope of consolidation

The scope of consolidation is unchanged from the consolidated financial statements as of 31 December 2021 and 30 June 2021.

2. Compliance with international accounting standards

These Condensed Interim Financial Statements have been prepared in compliance with international accounting standards (IAS/IFRS), in force, issued by the International Accounting Standards Board and approved by the European Union, and in compliance with provisions established by Consob in Communication no. 6064293 of 28 July 2006. The interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously the Standing Interpretations Committee ("SIC"), were also taken into account.
During the drafting of these Condensed Interim Financial Statements, prepared in compliance with IAS 34 - Interim Financial Reporting, the same accounting standards adopted in the drafting of the Consolidated Financial Statements as of 31 December 2021 were applied, with the exception of the paragraph "New accounting standards, amendments and interpretations adopted from 1 January 2022".
The information provided in the Half-Year Report should be read together with the Consolidated Financial Statements as of 31 December 2021, prepared according to IFRS.

The preparation of the interim financial statements requires management to make estimates and assumptions which have an impact on the values of revenues, costs, consolidated balance sheet assets and liabilities and on the information regarding contingent assets and liabilities at the reporting date. If these management estimates and assumptions should, in future, differ from the actual situation, they will be changed as appropriate in the period in which the circumstances change. For a more detailed description of the most significant measurement methods of the Group, reference is made to the section "Use of estimates" of the Consolidated Financial Statements as of 31 December 2021.
It should finally be noted that some assessment processes, in particular the most complex ones such as establishing any impairment of fixed assets, are generally undertaken in full only when preparing the annual financial statements, when all the potentially necessary information is available, except in cases where there are indications of impairment which require an immediate assessment of any impairment loss.

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

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

These Condensed Interim Financial Statements have been subjected to a limited review by Deloitte & Touche S.p.A..

NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED FROM 1 JANUARY 2022

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

In March 2021, the IASB published amendments to IFRS 16 that move the final date from 30 June 2021 to 30 June 2022, for a practical expedient for measuring leases where renegotiated lease payments have been made as a result of Covid-19. The lessee may opt to recognise the concession in the accounts as a variable lease payment in the period when a lower payment is recognised.
The application of the new amendments did not have a significant impact on values or on the financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPROVED BY THE EUROPEAN UNION THAT ARE NOT YET COMPULSORY APPLICABLE AND HAVE NOT BEEN ADOPTED IN ADVANCE BY THE GROUP AS OF 30 JUNE 2022

In May 2017, the IASB issued the new standard IFRS 17 "Insurance Contracts". The new standard replacing the IFRS applies from 1 January 2023 but early application is permitted, only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.

In February 2021, the IASB published narrow-scope amendments to IAS 1, Practice Statement 2 and IAS 8. The amendments aim to improve disclosure of accounting standards and to help users of the financial statements distinguish between changes in accounting estimates and changes in accounting standards. The amendments will be applicable effective 1 January 2023 , but early application is permitted.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE

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

- In January 2020, the IASB published some amendments to IAS 1 that clarify the definition of "current" or "non-current" liabilities based on rights existing at the reporting date. These amendments will apply from 1 January 2024.
- In May 2021, the IASB issued amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments require companies to recognise deferred taxes when an asset or liability is initially recognised in a transaction that results in equal amounts of temporary deductible and taxable differences. These amendments will apply from 1 January 2023.
- In December 2021, the IASB published an amendment called "Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendment is a transition option relating to comparative information about financial assets presented at the date of initial application of IFRS 17. The amendment is intended to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus to improve the usefulness of comparative information for readers of financial statements. The amendments will apply from 1 January 2023, together with the application of IFRS 17.

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 30 JUNE 2022	AVERAGE EXCHANGE RATE 1ST HALF OF 2022	SPOT EXCHANGE RATE 31 DECEMBER 2021	AVERAGE EXCHANGE RATE 1ST HALF OF 2021
US Dollar	1.0387	1.09339	1.1326	1.20535
Pounds Sterling	0.85820	0.842397	0.84028	0.868010
Indian Rupee	82.1130	83.31790	84.2292	88.41259
Singapore Dollars	1.4483	1.49208	1.5279	1.60594
Chinese Yuan	6.9624	7.08226	7.1947	7.79599
Croatian Kuna	7.5307	7.54145	7.5156	7.55041
Japanese Yen	141.54	134.30709	130.38	129.86810
Vietnamese Dong	24,170.00	25,059.33071	25,137.39	26,948.81627
Indonesian Rupiah	15,552.00	15,798.55102	16,166.73	17,211.97706
Brazilian Real	5.4229	5.55648	6.3101	6.49017

B) SEGMENT REPORTING

3. Operating segment reporting

The organisational structure of the Group is based on 3 Geographic Segments, involved in the production and sale of vehicles, spare parts and assistance in areas under their responsibility: EMEA and Americas, India and Asia Pacific 2W.
Operating segments are identified by management, in line with the management and control model used.
In particular, the structure of disclosure corresponds to the structure of periodic reporting analysed by the Chairman and Chief Executive Officer for business management purposes.
Each Geographic Segment has production sites and a sales network dedicated to customers in that geographic segment.
In particular:
- EMEA and Americas have production sites and deal with the distribution and sale of two-wheeler and commercial vehicles;
- India has production sites and deals with the distribution and sale of two-wheeler and commercial vehicles;
- Asia Pacific 2W has production sites and deals with the distribution and sale of two-wheeler vehicles.

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

INCOME STATEMENT BY OPERATING SEGMENT

		EMEA AND AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
Sales volumes (unit/000)	1st half of 2022	158.3	72.2	90.1	320.6
	1st half of 2021	148.8	67.4	70.9	287.1
	Change	9.6	4.8	19.2	33.5
	Change %	6.4%	7.1%	27.0%	11.7%
Net turnover (millions of Euros)	1st half of 2022	679.5	140.1	233.5	1,053.1
	1st half of 2021	628.6	106.6	166.5	901.7
	Change	50.9	33.5	67.0	151.4
	Change %	8.1%	31.4%	40.3%	16.8%
Gross margin (millions of Euros)	1st half of 2022	171.8	17.1	88.2	277.1
	1st half of 2021	184.4	17.6	60.0	261.9
	Change	(12.5)	(0.5)	28.1	15.1
	Change %	-6.8%	-2.8%	46.9%	5.8%
EBITDA (millions of Euros)	1st half of 2022				152.2
	1st half of 2021				144.6
	Change				7.6
	Change %				5.3%
EBIT (millions of Euros)	1st half of 2022				85.8
	1st half of 2021				80.4
	Change				5.4
	Change %				6.7%
Net profit (millions of Euros)	1st half of 2022				45.2
	1st half of 2021				43.5
	Change				1.7
	Change %				3.9%

C) INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

4. Net revenues €/000 1,053,078

Revenues are shown net of premiums recognised to customers (dealers).
This item does not include transport costs, which are recharged to customers (€/000 23,889) and invoiced advertising cost recoveries (€/000 2,797), 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 2022		1ST HALF OF 2021		CHANGES	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
EMEA and Americas	679,493	64.5	628,616	69.7	50,877	8.1
India	140,116	13.3	106,596	11.8	33,520	31.4
Asia Pacific 2W	233,469	22.2	166,459	18.5	67,010	40.3
Total	**1,053,078**	**100.0**	**901,671**	**100.0**	**151,407**	**16.8**

In the first half of 2022, net sales revenues recorded a 16.8% increase 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 €/000 682,144

The increase in costs for materials compared to the first half of 2021 is due to the growth in production volumes and the rise in raw materials costs. The item includes €/000 26,120 (€/000 12,724 in the first half of 2021) 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 2022	1ST HALF OF 2021	CHANGE
Raw, ancillary materials, consumables and goods	777,596	628,216	149,380
Change in inventories of raw, ancillary materials, consumables and goods	(40,921)	(27,625)	(13,296)
Change in work in progress of semi-finished and finished products	(54,531)	(43,114)	(11,417)
Total	**682,144**	**557,477**	**124,667**

6. Costs for services and leases and rental costs €/000 147,003

Below is a breakdown of this item:

IN THOUSANDS OF EUROS	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
Employee costs	6,534	4,810	1,724
External maintenance and cleaning costs	4,948	5,444	(496)
Energy and telephone costs	13,351	6,572	6,779
Postal expenses	593	472	121
Commissions payable	566	257	309
Advertising and promotion	23,259	28,244	(4,985)
Technical, legal and tax consultancy and services	12,490	10,581	1,909
Company boards operating costs	1,704	1,352	352
Insurance	2,635	2,211	424
Insurance from related parties	32	27	5
Outsourced manufacturing	17,702	15,567	2,135
Outsourced services	8,953	8,291	662
Transport costs (vehicles and spare parts)	30,185	24,829	5,356
Sundry commercial expenses	4,168	4,268	(100)
Expenses for public relations	1,642	1,570	72
Product warranty costs	695	257	438
Quality-related events	128	2,494	(2,366)
Bank costs and factoring charges	3,304	3,068	236
Other services	5,563	6,821	(1,258)
Services from related parties	592	796	(204)
Lease and rental costs	7,935	5,634	2,301
Costs for leases and rentals of related parties	24	21	3
Total	**147,003**	**133,586**	**13,417**

The increase is mainly related to rising energy and transportation costs that have impacted the entire world economy. The item includes costs for temporary work of €/000 1,380.

7. Employee costs €/000 134,526

Employee costs include €/000 376 relating to costs for redundancy plans mainly for the Pontedera and Noale production sites.

IN THOUSANDS OF EUROS	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
Salaries and wages	103,175	95,840	7,335
Social security contributions	25,969	24,608	1,361
Termination benefits	4,131	3,724	407
Other costs	1,251	1,291	(40)
Total	**134,526**	**125,463**	**9,063**

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

	AVERAGE NUMBER		
LEVEL	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
Senior management	109.2	107.8	1.4
Middle management	674.0	664.5	9.5
White collars	1,599.2	1,627.7	(28.5)
Blue-collar workers	4,066.1	3,939.0	127.1
Total	**6,448.5**	**6,339.0**	**109.5**

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

	NUMBER AS OF		
	30 JUNE 2022	31 DECEMBER 2021	CHANGE
Senior management	111	108	3
Middle management	669	673	(4)
White collars	1,609	1,600	9
Blue-collar workers	4,373	3,321	1,052
Total	**6,762**	**5,702**	**1,060**
EMEA and Americas	4,113	3,295	818
India	1,527	1,328	199
Asia Pacific 2W	1,122	1,079	43
Total	**6,762**	**5,702**	**1,060**

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

LEVEL	AS OF 31.12.21	INCOMING	LEAVERS	RELOCATIONS	AS OF 30.06.22
Senior management	108	3	(2)	2	111
Middle management	673	34	(48)	10	669
White collars	1,600	131	(111)	(11)	1,609
Blue-collar workers	3,321	1,636	(583)	(1)	4,373
Total	**5,702**	**1,804**	**(744)**	**0**	**6,762**

8. Amortisation/depreciation and impairment costs €/000 66,407

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

IN THOUSANDS OF EUROS	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
PROPERTY, PLANT AND EQUIPMENT			
Buildings	2,521	2,438	83
Plant and machinery	11,438	10,732	706
Industrial and commercial equipment	7,500	5,768	1,732
Other assets	3,328	3,735	(407)
Total depreciation of property, plant and equipment	**24,787**	**22,673**	**2,114**
Impairment costs of property, plant and equipment			0
Total depreciation of property, plant and equipment and impairment costs	**24,787**	**22,673**	**2,114**

IN THOUSANDS OF EUROS	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
INTANGIBLE ASSETS			
Development costs	14,983	15,815	(832)
Industrial Patent and Intellectual Property Rights	21,485	21,493	(8)
Concessions, licences, trademarks and similar rights	33	28	5
Other	63	121	(58)
Total amortisation of intangible assets	**36,564**	**37,457**	**(893)**
Impairment costs of intangible assets	420		420
Total amortisation of intangible assets and impairment costs	**36,984**	**37,457**	**(473)**

IN THOUSANDS OF EUROS	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
RIGHTS OF USE			
Land	95	89	6
Buildings	3,043	2,650	393
Plant and machinery	428	428	0
Industrial and commercial equipment	114	11	103
Other assets	956	882	74
Total depreciation of rights of use	**4,636**	**4,060**	**576**

9. Other operating income €/000 76,021

This item consists of:

IN THOUSANDS OF EUROS	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
Operating grants	2,784	1,426	1,358
Increases in fixed assets for internal work	28,723	29,223	(500)
Other revenue and income:			
- Rent receipts	1	2,889	(2,888)
- Capital gains on the disposal of assets	166	49	117
- Sale of miscellaneous materials	836	589	247
- Recovery of transport costs	23,889	19,638	4,251
- Recovery of advertising costs	2,797	2,344	453
- Recovery of sundry costs	1,967	1,726	241
- Compensation	259	449	(190)
- Compensation for quality-related events	145	330	(185)
- Licence rights and know-how	1,552	865	687
- Sponsorship	2,842	1,287	1,555
- Other Group income	269	246	23
- Other income	9,791	13,345	(3,554)
Total	**76,021**	**74,406**	**1,615**

The item "Operating grants" includes €/000 2,057 for government and community grants for research projects and capex, and export subsidies of €/000 727 received from 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.
Revenues include €/000 2,264 in subsidies from the Indian government given to the affiliate Piaggio Vehicles Private Limited for investments made in during previous years and recognised in the income statement in proportion to the depreciation and amortisation of assets for which the grant was given. The recognition of these amounts is supported by appropriate documentation received from the Government of India, certifying that the entitlement has been recognised and therefore that collection is reasonably certain.
The item "sponsorships" relates to the activities of the Aprilia Racing team.

10. Net reversals (impairment) of trade and other receivables €/000 (1,292)

This item consists of:

IN THOUSANDS OF EUROS	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
Release of provisions		89	(89)
Losses on receivables	(6)	(88)	82
Write-downs of receivables in working capital	(1,286)	(1,300)	14
Total	**(1,292)**	**(1,299)**	**7**

11. Other operating costs €/000 11,949

This item consists of:

IN THOUSANDS OF EUROS	1ST HALF OF 2022	1ST HALF OF 2021	CHANGE
Provision for future risks		1,940	(1,940)
Provisions for product warranties	5,920	6,277	(357)
Duties and taxes not on income	2,764	2,421	343
Miscellaneous membership contributions	694	699	(5)
Capital losses from disposal of assets	2	3	(1)
Miscellaneous expenses	2,569	2,361	208
Total sundry operating costs	*6,029*	*5,484*	*545*
Total	**11,949**	**13,701**	**(1,752)**

The savings achieved in the six-month period are mainly related to lower provisions for risks.

12. Income/(loss) from investments €/000 (80)

Income/loss from investments refers to the portion of expense attributable to the Group from the Zongshen Piaggio Foshan Motorcycle Co. Ltd joint venture, measured at equity.

13. Net financial income (financial costs) €/000 (12,814)

Financial income (financial costs) in the first half of 2022 showed a cost of €/000 12,814 (€/000 10,610 in the first six months of last year). The deterioration was essentially due to foreign-exchange losses, partially mitigated by the reduction in the average cost of debt and by the greater capitalisation of interest linked to long-term investments.

14. Taxes €/000 27,696

Income tax for the period, determined based on IAS 34, is estimated by applying a rate of 38% to profit before tax, equivalent to the best estimate of the weighted average rate predicted for the financial year.

15. Profits or losses arising from assets held for sale €/000 0

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

16. Earnings per share

Earnings per share are calculated as follows:

		1ST HALF OF 2022	1ST HALF OF 2021
Net profit	€/000	45,188	43,501
Earnings attributable to ordinary shares	€/000	45,188	43,501
Average number of ordinary shares outstanding		356,760,443	357,120,546
Earnings per ordinary share	€	0.127	0.122
Adjusted average number of ordinary shares		356,760,443	357,120,546
Diluted earnings per ordinary share	€	0.127	0.122

D) INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

17. Intangible assets €/000 723,423

Intangible assets went up overall by €/000 3,214, mainly due to investments for the period which were only partially balanced by amortisation for the period.
Increases mainly refer to the capitalisation of development costs and know-how for new products and new engines, as well as the purchase of software.
During the first half of 2022, financial costs for €/000 932 were capitalised.

The table below shows the breakdown of intangible assets as of 30 June 2022, as well as changes during the period.

IN THOUSANDS OF EUROS	SITUATION AT 31.12.2021	MOVEMENTS FOR THE PERIOD							SITUATION AT 30.06.2022
	NET VALUE	INVESTMENTS	TRANSITIONS IN THE PERIOD	AMORTISATION	DISPOSALS	WRITE-DOWNS	EXCHANGE DIFFERENCES	OTHER	NET VALUE
Development costs	**103,262**	**19,310**	**0**	**(14,983)**	**0**	**(420)**	**943**	**0**	**108,112**
In service	80,153	3,832	6,975	(14,983)	0	0	696	0	76,673
Assets under development and advances	23,109	15,478	(6,975)	0	0	(420)	247	0	31,439
Patent rights	**140,229**	**19,718**	**0**	**(21,485)**	**(24)**	**0**	**18**	**3**	**138,459**
In service	103,303	5,432	10,425	(21,485)	(24)	0	13	0	97,664
Assets under development and advances	36,926	14,286	(10,425)	0	0	0	5	3	40,795
Trademarks	**29,478**	**0**	**0**	**(33)**	**0**	**0**	**0**	**0**	**29,445**
In service	29,478	0	0	(33)	0	0	0	0	29,445
Goodwill	**446,940**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**446,940**
In service	446,940	0	0	0	0	0	0	0	446,940
Other	**300**	**215**	**0**	**(63)**	**0**	**0**	**15**	**0**	**467**
In service	247	70	14	(63)	0	0	8	0	276
Assets under development and advances	53	145	(14)	0	0	0	7	0	191
Total	**720,209**	**39,243**	**0**	**(36,564)**	**(24)**	**(420)**	**976**	**3**	**723,423**
In service	660,121	9,334	17,414	(36,564)	(24)	0	717	0	650,998
Assets under development and advances	60,088	29,909	(17,414)	0	0	(420)	259	3	72,425

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 2022, development costs amounting to €/000 30,383 were carried as expenses directly in the income statement.

The item Patent rights comprises software for €/000 29,460 and patents and know-how.
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 2022-2023 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 2022	AS OF 31 DECEMBER 2021	CHANGE
Moto Guzzi trademark	9,750	9,750	0
Aprilia trademark	19,158	19,158	0
Minor trademarks	12	15	(3)
Foton licence	525	555	(30)
Total	**29,445**	**29,478**	**(33)**

As they have an indefinite useful life as of 2021, the Moto Guzzi and Aprilia brands are no longer amortised but are subjected annually, or more 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 10-year period expiring in 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 2022	305,311	109,695	31,934	446,940
31 12 2021	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 that 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 more 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.
The Piaggio Group ended the first half of 2022 with very strong results globally, confirming the solid recovery that began in the second half of last year. The only area that, compared to forecasts, was still significantly affected by the pandemic was India, which suffered the consequences of a severe lockdown starting from March 2021. Restrictions in India were finally lifted in May 2022 and the market is starting to show a slight recovery, which should grow stronger in the second half of the year. Taking into account the persistent lockdown and related effects compared to assumptions that had been made – and in light of the unexpected trend in interest rates which resulted in a 1.2% average increase in WACC compared to 31 December 2021 – the Group has carried out an analysis on the projection of current and prospective income in the current year, and a comparison of the same with the Budget and Plan data in the same geographical area, as approved at the beginning of 2022. The outcome of this test did not entail any need to update the impairment test for the India CGU.
For the other CGUs, given the trends in the half year and also in consideration of the extent of existing cover as of 31 December 2021, it was not necessary to update the impairment test.

18. Property, plant and equipment €/000 288,509

Property, plant and equipment mainly refer to Group production facilities in Pontedera (Pisa), Noale (Venice), Mandello del Lario (Lecco), Baramati (India) and Vinh Phuc (Vietnam).
The increases mainly relate to the construction of a new CKD vehicle assembly factory[9] in Indonesia and 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 2022, financial costs for €/000 388 were capitalised.

The table below shows the breakdown of tangible assets as of 30 June 2022, as well as changes during the period.

IN THOUSANDS OF EUROS	SITUATION AT 31.12.2021	MOVEMENTS FOR THE PERIOD						SITUATION AT 30.06.2022
	NET VALUE	INVESTMENTS	TRANSITIONS IN THE PERIOD	DEPRECIATION	DISPOSALS	EXCHANGE DIFFERENCES	OTHER	NET VALUE
Land	**31,550**	**5,724**	**0**	**0**	**0**	**245**	**0**	**37,519**
In service	31,550	5,724	0	0	0	245	0	37,519
Buildings	**85,932**	**3,613**	**0**	**(2,521)**	**0**	**812**	**0**	**87,836**
In service	80,984	145	3,477	(2,521)	0	731	0	82,816
Assets under construction and advances	4,948	3,468	(3,477)	0	0	81	0	5,020
Plant and machinery	**111,891**	**7,450**	**0**	**(11,438)**	**(82)**	**2,140**	**(3)**	**109,958**
In service	103,772	569	3,202	(11,438)	0	1,834	0	97,939
Assets under construction and advances	8,119	6,881	(3,202)	0	(82)	306	(3)	12,019
Equipment	**41,828**	**6,018**	**0**	**(7,500)**	**0**	**4**	**0**	**40,350**
In service	34,435	3,339	4,177	(7,500)	0	0	0	34,451
Assets under construction and advances	7,393	2,679	(4,177)	0	0	4	0	5,899
Other assets	**11,840**	**4,594**	**0**	**(3,328)**	**(452)**	**192**	**0**	**12,846**
In service	9,500	4,286	195	(3,328)	(2)	189	0	10,840
Assets under construction and advances	2,340	308	(195)	0	(450)	3	0	2,006
Total	**283,041**	**27,399**	**0**	**(24,787)**	**(534)**	**3,393**	**(3)**	**288,509**
In service	260,241	14,063	11,051	(24,787)	(2)	2,999	0	263,565
Assets under construction and advances	22,800	13,336	(11,051)	0	(532)	394	(3)	24,944

9 Completely Knocked Down (CKD) is an acronym that means separate components used to assemble a complete vehicle.

19. Rights of use €/000 38,682

This note provides information regarding leases as a lessee. The Group has no existing lease agreements as lessor.
The item "Rights of use" includes operating lease agreements, finance lease agreements and lease instalments paid in advance for the use of property.
The Group has stipulated rental/hire contracts for offices, plants, warehouses, company accommodation, cars and forklift trucks. The rental/lease agreements are typically for a fixed duration, but extension options are possible. These agreements may also include service components.
The Group opted to include only the component relative to the rental/hire payment in the recognition of rights of use.
The rental/hire agreements do not have any covenants to be met, nor require guarantees to be provided in favour of the lessor.

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2022				AS OF 31 DECEMBER 2021				
	OPERATING LEASES	FINANCE LEASES	RENTAL/HIRE PAYMENTS MADE IN ADVANCE	TOTAL	OPERATING LEASES	FINANCE LEASES	RENTAL/HIRE PAYMENTS MADE IN ADVANCE	TOTAL	CHANGE
Land			7,372	7,372			7,212	7,212	160
Buildings	18,662		183	18,845	12,970		241	13,211	5,634
Plant and machinery		7,703		7,703		8,131		8,131	(428)
Equipment	1,839			1,839				0	1,839
Other assets	2,891	32		2,923	2,123	50		2,173	750
Total	**23,392**	**7,735**	**7,555**	**38,682**	**15,093**	**8,181**	**7,453**	**30,727**	**7,955**

IN THOUSANDS OF EUROS	LAND	BUILDINGS	PLANT AND MACHINERY	EQUIPMENT	OTHER ASSETS	TOTAL
Amount as of 31 12 2021	**7,212**	**13,211**	**8,131**		**2,173**	**30,727**
Increases		8,305		1,953	1,791	12,049
Depreciation	(95)	(3,043)	(428)	(114)	(956)	(4,636)
Decreases		(221)			(92)	(313)
Exchange differences	255	593			7	855
Movements for the period	**160**	**5,634**	**(428)**	**1,839**	**750**	**7,955**
Amount as of 30 06 2022	**7,372**	**18,845**	**7,703**	**1,839**	**2,923**	**38,682**

Future lease rental commitments are detailed in note 38.

20. Investment Property €/000 0

As of 30 June 2022 no investment property was held.

21. Deferred tax assets €/000 56,213

Deferred tax assets and liabilities are recognised at their net value when they may be offset in the same tax jurisdiction.
As part of measurements to define deferred tax assets, the Group mainly considered the following:
- tax regulations of countries where it operates, the impact of regulations in terms of temporary differences and any tax benefits arising from the use of previous tax losses;
- taxable income expected in the medium term for each single company and the economic and tax impact. In this scenario, plans resulting from the reworking of the Group plan were taken as a reference;
- the tax rate in effect in the year when temporary differences occur.

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

22. Inventories €/000 378,168

This item comprises:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2022	AS OF 31 DECEMBER 2021	CHANGE
Raw materials and consumables	235,481	167,349	68,132
Provision for write-down	(13,176)	(12,425)	(751)
Net value	*222,305*	*154,924*	*67,381*
Work in progress and semi-finished products	18,463	22,934	(4,471)
Provision for write-down	(852)	(852)	0
Net value	*17,611*	*22,082*	*(4,471)*
Finished products and goods	156,573	118,555	38,018
Provision for write-down	(19,211)	(18,067)	(1,144)
Net value	*137,362*	*100,488*	*36,874*
Advances	890	1,044	(154)
Total	**378,168**	**278,538**	**99,630**

As of 30 June 2022, inventories had increased by €/000 99,630.
Against an international background featuring critical issues in the procurement of some components and in transport logistics, the Group has decided to protect itself by increasing the level of inventories, in order to guarantee production and sales in the coming months.

23. Trade receivables (current and non-current) €/000 148,141

As of 30 June 2022 and 31 December 2021, 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 2022	AS OF 31 DECEMBER 2021	CHANGE
Trade receivables due from customers	147,682	70,615	77,067
Trade receivables due from JV	453	590	(137)
Trade receivables due from parent companies		20	(20)
Trade receivables due from associates	6		6
Total	**148,141**	**71,225**	**76,916**

Receivables due from joint ventures refer to amounts due from Zongshen Piaggio Foshan Motorcycles Co. Ltd.
Receivables due from associates regard amounts due from Immsi Audit.
The item Trade receivables comprises receivables referring to normal sale transactions, recorded net of a provision for bad debts of €/000 29,984.
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 2022, trade receivables still due sold without recourse totalled €/000 254,178.
Of these amounts, Piaggio received payment prior to natural expiry of €/000 232,066.
As of 30 June 2022, advance payments received from factoring companies and banks, for trade receivables sold with recourse totalled €/000 12,553 with a counter entry recorded in current liabilities.

24. Other receivables (current and non-current) €/000 69,360

They consist of:

	AS OF 30 JUNE 2022			AS OF 31 DECEMBER 2021			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
Receivables due from parent companies	19,251		19,251	19,098		19,098	153	0	153
Receivables due from joint ventures	488		488	900		900	(412)	0	(412)
Receivables due from affiliated companies	7		7	20	67	87	(13)	(67)	(80)
Accrued income	1,297		1,297	2,267		2,267	(970)	0	(970)
Deferred charges	10,891	14,161	25,052	8,014	14,948	22,962	2,877	(787)	2,090
Advance payments to suppliers	1,185	1	1,186	1,850	1	1,851	(665)	0	(665)
Advances to employees	439	25	464	688	26	714	(249)	(1)	(250)
Fair value of hedging derivatives	5,729	394	6,123	8,326		8,326	(2,597)	394	(2,203)
Security deposits	314	1,151	1,465	278	1,122	1,400	36	29	65
Receivables due from others	6,550	7,477	14,027	15,832	7,464	23,296	(9,282)	13	(9,269)
Total	**46,151**	**23,209**	**69,360**	**57,273**	**23,628**	**80,901**	**(11,122)**	**(419)**	**(11,541)**

Receivables due from associates regard amounts due from Immsi Audit.
Receivables due from Parent Companies refer to receivables due from Immsi and arise from the recognition of accounting effects relating to the transfer of taxable bases pursuant to the Group Consolidated Tax Convention.
Receivables due from joint ventures refer to amounts due from Zongshen Piaggio Foshan Motorcycle Co. Ltd.
The item Fair value derivatives refers to the fair value transactions to hedge the exchange risk on forecast transactions accounted for according to the cash flow hedge principle (€/000 5,571 current portion) and to the fair value of an Interest Rate Swap designated as a hedge and accounted for according to the cash flow hedge principle (€/000 394 non-current portion and €/000 158 current portion).
Receivables due from others include €/000 2,899 (€/000 5,419 as of 31 December 2021) relating to the recognition by the Indian affiliate of a receivable for the subsidy received from the Indian Government on investments made in previous years. This receivable is recognised in the income statement in proportion to the depreciation of the assets on which the grant was made. The recognition of these amounts is supported by appropriate documentation received from the Government of India, certifying that the entitlement has been recognised and therefore that collection is reasonably certain.

25. Tax receivables (current and non-current) €/000 39,752

Tax receivables consist of:

	AS OF 30 JUNE 2022			AS OF 31 DECEMBER 2021			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
VAT	18,469	795	19,264	11,619	543	12,162	6,850	252	7,102
Income tax	2,802	9,200	12,002	2,114	7,333	9,447	688	1,867	2,555
Others	7,572	914	8,486	3,809	1,028	4,837	3,763	(114)	3,649
Total	**28,843**	**10,909**	**39,752**	**17,542**	**8,904**	**26,446**	**11,301**	**2,005**	**13,306**

26. Receivables due after 5 years €/000 0

As of 30 June 2022, there were no receivables due after 5 years.

27. Assets held for sale €/000 0

As of 30 June 2022, there were no assets held for sale.

28. Trade payables (current and non-current) €/000 757,575

As of 30 June 2022 and as of 31 December 2021 no trade payables were recorded under non-current liabilities. Trade payables recorded as current liabilities are broken down as follows:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2022	AS OF 31 DECEMBER 2021	CHANGE
Amounts due to suppliers	734,058	606,735	127,323
Trade payables to JV	23,455	16,622	6,833
Trade payables due to associates	16	117	(101)
Trade payables due to parent companies	46	90	(44)
Total	**757,575**	**623,564**	**134,011**
Of which indirect factoring	*292,464*	*258,667*	*33,797*

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 2022, the value of trade payables covered by reverse factoring or supply chain financing agreements was equal to €/000 292,464 (€/000 258,667 as of 31 December 2021).

29. Provisions (current and non-current portion) €/000 28,832

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

IN THOUSANDS OF EUROS	BALANCE AS OF 31 DECEMBER 2021	ACCRUALS	UTILIZATION	EXCHANGE DIFFERENCES	BALANCE AS OF 30 JUNE 2022
Provision for product warranties	20,373	5,920	(4,356)	232	22,169
Provision for contractual risks	8,043		(4,123)	80	4,000
Risk provision for legal disputes	1,971			8	1,979
Other provisions for risks and charges	1,333		(654)	5	684
Total	**31,720**	**5,920**	**(9,133)**	**325**	**28,832**

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

	AS OF 30 JUNE 2022			AS OF 31 DECEMBER 2021			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
Provision for product warranties	13,533	8,636	22,169	12,416	7,957	20,373	1,117	679	1,796
Provision for contractual risks	1,000	3,000	4,000	920	7,123	8,043	80	(4,123)	(4,043)
Provision for legal disputes	258	1,721	1,979	250	1,721	1,971	8	0	8
Other provisions for risks and charges	268	416	684	770	563	1,333	(502)	(147)	(649)
Total	**15,059**	**13,773**	**28,832**	**14,356**	**17,364**	**31,720**	**703**	**(3,591)**	**(2,888)**

The product warranty provision relates to allocations for technical assistance on products covered by customer service which are estimated to be provided over the contractually envisaged warranty period. This period varies according to the type of goods sold and the sales market, and is also determined by customer take-up to commit to a scheduled maintenance plan.
The provision increased during the period by €/000 5,920 and was used for €/000 4,356 in relation to charges incurred during the period.
The provision for contractual risks refers to charges that may arise from supply contracts.
The provision for litigation concerns labour litigation and other legal proceedings.
Other risk provisions include management's best estimate of probable liabilities at the reporting date.

30. Deferred tax liabilities €/000 5,710

Deferred tax liabilities amount to €/000 5,710 compared to €/000 7,495 as of 31 December 2021.

31. Retirement funds and employee benefits €/000 27,448

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2022	AS OF 31 DECEMBER 2021	CHANGE
Retirement funds	866	811	55
Termination benefits provision	26,582	32,259	(5,677)
Total	**27,448**	**33,070**	**(5,622)**

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	2.74%
Annual inflation rate	2.1% from 2022 onwards
Annual rate of increase in termination benefit	3.075% from 2022 onwards

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 2022 would have been lower by €/000 1,399.
The table below shows the effects, in absolute terms, as of 30 June 2022, which would have occurred following changes in reasonably possible actuarial assumptions:

IN THOUSANDS OF EUROS	TERMINATION BENEFITS PROVISION
Turnover rate +2%	26,610
Turnover rate -2%	26,550
Inflation rate +0.25%	26,937
Inflation rate - 0.25%	26,231
Discount rate +0.50%	26,029
Discount rate -0.50%	27,151

The average financial duration of the bond ranges from 8 to 25 years.

Estimated future amounts are equal to:

IN THOUSANDS OF EUROS	
YEAR	FUTURE AMOUNTS
1	3,039
2	1,321
3	1,263
4	1,301
5	729

The affiliates operating in Germany and Indonesia have provisions for employees identified as defined benefit plans. As of 30 June 2022, these provisions amounted to €/000 115 and €/000 269 respectively.

32. Tax payables (current and non-current) €/000 23,638

Tax payables are broken down as follows:

	AS OF 30 JUNE 2022			AS OF 31 DECEMBER 2021			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
Due for income tax	14,330		14,330	9,011	1,387	10,398	5,319	(1,387)	3,932
Due for non-income tax	116		116	154		154	(38)	0	(38)
Tax payables for:									
- VAT	4,509		4,509	1,007		1,007	3,502	0	3,502
- Tax withheld at source	3,415		3,415	5,032		5,032	(1,617)	0	(1,617)
- Other	1,268		1,268	1,772		1,772	(504)	0	(504)
Total	9,192	-	9,192	7,811	-	7,811	1,381	0	1,381
TOTAL	**23,638**	**0**	**23,638**	**16,976**	**1,387**	**18,363**	**6,662**	**(1,387)**	**5,275**

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

33. Other payables (current and non-current) €/000 88,757

This item comprises:

	AS OF 30 JUNE 2022			AS OF 31 DECEMBER 2021			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
To employees	32,127	557	32,684	19,056	543	19,599	13,071	14	13,085
Guarantee deposits		4,212	4,212		4,048	4,048	0	164	164
Accrued expenses	4,309		4,309	4,559		4,559	(250)	0	(250)
Deferred income	6,491	8,400	14,891	3,798	8,065	11,863	2,693	335	3,028
Amounts due to social security institutions	6,171		6,171	8,718		8,718	(2,547)	0	(2,547)
Fair value of derivatives	149		149	217	34	251	(68)	(34)	(102)
To associates	50		50	118		118	(68)	0	(68)
To parent companies	14,879		14,879	14,919		14,919	(40)	0	(40)
Others	11,342	70	11,412	12,040	70	12,110	(698)	0	(698)
Total	**75,518**	**13,239**	**88,757**	**63,425**	**12,760**	**76,185**	**12,093**	**479**	**12,572**

Amounts due to employees include the amount for holidays accrued but not taken of €/000 15,921 and other payments to be made for €/000 16,763.
Payables to parent companies consist of payables to Immsi referring to expenses related to the consolidated tax convention.
The item Fair value of derivative instruments refers to the fair value of exchange-rate hedging transactions for forecast transactions accounted for according to the cash flow hedge principle (€/000 75 current portion) and the fair value of commodity hedging transactions accounted for according to the cash flow hedge principle (€/000 74 current portion).
The item Accrued liabilities includes €/000 185 for interest on hedging derivatives and associated hedged items measured at fair value.
Deferred income includes €/000 6,415 (€/000 5,993 as of 31 December 2021) for the recognition by the Indian affiliate related to a deferred subsidy from the local Government for investments made in previous years, for the part not yet amortised. For more details, see Note 24 "Other receivables".

34. Payables due after 5 years

The Group has loans due after 5 years, which are referred to in detail in Note 38 "Financial Liabilities".
With the exception of the above payables, no other long-term payables due after five years exist.

E) INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

35. Investments €/000 11,375

The investments heading comprises:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2022	AS OF 31 DECEMBER 2021	CHANGE
Interests in joint ventures	11,178	10,850	328
Investments in associates	197	197	0
Total	**11,375**	**11,047**	**328**

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

The table below summarises main financial data of the joint venture:

IN THOUSANDS OF EUROS	ACCOUNTS AS OF 30 JUNE 2022		ACCOUNTS AS OF 31 DECEMBER 2021	
ZONGSHEN PIAGGIO FOSHAN MOTORCYCLE CO. LTD				
		45%*		45%*
Working capital	16,377	7,369	16,651	7,493
Total assets	14,020	6,309	13,918	6,263
Net Invested Capital	**30,397**	**13,678**	**30,569**	**13,756**
Provisions	612	275	592	267
Financial debt	1,938	872	2,513	1,131
Shareholders' equity	27,847	12,531	27,464	12,359
Total sources of financing	**30,397**	**13,678**	**30,569**	**13,756**
* Group ownership				
Shareholders' equity attributable to the Group		12,531		12,359
Elimination of margins on internal transactions		(1,353)		(1,509)
Value of the investment		**11,178**		**10,850**

IN THOUSANDS OF EUROS	
RECONCILIATION OF SHAREHOLDERS' EQUITY	
Opening balance as of 1 January 2022	**10,850**
Profit (Loss) for the period	(236)
Statement of Comprehensive Income	408
Elimination of margins on internal transactions	156
Closing balance as of 30 June 2022	**11,178**

Investments in associates €/000 197

This item comprises:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2021	ADJUSTMENT	AS OF 30 JUNE 2022
ASSOCIATES			
Immsi Audit S.c.a r.l.	10		10
S.A.T. S.A. - Tunisia	0		0
Depuradora D'Aigues de Martorelles	27		27
Pontedera & Tecnologia S.c.a r.l.	160		160
Total associates	**197**		**197**

No changes recorded during the period.

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

This item comprises:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2022			AS OF 31 DECEMBER 2021			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Fair Value of hedging derivatives			0	176		176	(176)	0	(176)
Investments in other companies		16	16		16	16	0	0	0
Total	**0**	**16**	**16**	**176**	**16**	**192**	**(176)**	**0**	**(176)**

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

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2022	AS OF 31 DECEMBER 2021	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**

37. Cash and cash equivalents €/000 236,653

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 2022	AS OF 31 DECEMBER 2021	CHANGE
Bank and postal deposits	236,599	260,829	(24,230)
Cash on hand	54	39	15
Total	**236,653**	**260,868**	**(24,215)**

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 2022	AS OF 30 JUNE 2021	CHANGE
Liquidity	236,653	226,441	10,212
Current account overdrafts			0
Closing balance	**236,653**	**226,441**	**10,212**

38. Financial liabilities and financial liabilities for rights of use (current and non-current) €/000 634,059

During the first half of 2022, the Group's total debt fell by €/000 7,131. Net of the change in right of use financial liabilities and the fair value measurement of financial derivatives to hedge foreign exchange risk and interest rate risk and the adjustment of relative hedged items, as of 30 June 2022 total financial debt of the Group had decreased by €/000 14,894.

IN THOUSANDS OF EUROS	FINANCIAL LIABILITIES AS OF 30 JUNE 2022			FINANCIAL LIABILITIES AS OF 31 DECEMBER 2021			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Financial liabilities	86,393	517,766	604,159	86,840	532,213	619,053	(447)	(14,447)	(14,894)
Gross financial debt	*86,393*	*517,766*	*604,159*	*86,840*	*532,213*	*619,053*	*(447)*	*(14,447)*	*(14,894)*
Fair value adjustment	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Financial liabilities for rights of use	8,266	21,634	29,900	7,601	14,536	22,137	665	7,098	7,763
Total	**94,659**	**539,400**	**634,059**	**94,441**	**546,749**	**641,190**	**218**	**(7,349)**	**(7,131)**

Net financial debt of the Group amounted to €/000 397,406 as of 30 June 2022 compared to €/000 380,322 as of 31 December 2021.

The composition of "Net financial debt" as of 30 June 2022, prepared in accordance with paragraph 175 and following of ESMA Recommendations 2021/32/382/1138, is set out below.

CONSOLIDATED NET FINANCIAL POSITION[10]

IN THOUSANDS OF EUROS		AS OF 30JUNE 2022	AS OF 31 DECEMBER 2021	CHANGE
A	**Cash and cash equivalents**	**236,653**	**260,868**	**(24,215)**
B	**Cash equivalents**			**0**
C	**Other current financial assets**			**0**
D	**Liquidity (A + B + C)**	**236,653**	**260,868**	**(24,215)**
E	**Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)**	**(46,560)**	**(37,861)**	**(8,699)**
	Payables due to banks	(25,670)	(20,376)	(5,294)
	Debenture loan			0
	Amounts due to factoring companies	(12,553)	(9,813)	(2,740)
	Financial liabilities for rights of use	(8,266)	(7,601)	(665)
	.of which finance leases	*(1,207)*	*(1,201)*	*(6)*
	.of which operating leases	*(7,059)*	*(6,400)*	*(659)*
	Current portion of payables due to other lenders	(71)	(71)	0
F	**Current portion of non-current financial debt**	**(48,099)**	**(56,580)**	**8,481**
G	**Current financial debt (E + F)**	**(94,659)**	**(94,441)**	**(218)**
H	**Net current financial debt (G - D)**	**141,994**	**166,427**	**(24,433)**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(294,509)**	**(302,599)**	**8,090**
	Medium-/long-term bank loans	(272,664)	(287,816)	15,152
	Financial liabilities for rights of use	(21,634)	(14,536)	(7,098)
	.of which finance leases	*(3,868)*	*(4,479)*	*611*
	.of which operating leases	*(17,766)*	*(10,057)*	*(7,709)*
	Amounts due to other lenders	(211)	(247)	36
J	**Debt instruments**	**(244,891)**	**(244,150)**	**(741)**
K	**Trade payables and other non-current payables**			**0**
L	**Non-current financial debt (I + J + K)**	**(539,400)**	**(546,749)**	**7,349**
M	**Total financial debt (H + L)**	**(397,406)**	**(380,322)**	**(17,084)**

As regards indirect factoring, please refer to the comment in Note 28 "Trade payables".

Non-current financial liabilities totalled €/000 539,400 against €/000 546,749 as of 31 December 2021, whereas current financial liabilities totalled €/000 94,659 compared to €/000 94,441 as of 31 December 2021.

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

The below table summarises the breakdown of financial debt as of 30 June 2022 and as of 31 December 2021, as well as changes for the period.

IN THOUSANDS OF EUROS			CASH FLOWS						
		BALANCE AS OF 31.12.2021	MOVEMENTS	REPAYMENTS	NEW ISSUES	RECLASSIFICATIONS	EXCHANGE DELTA	OTHER CHANGES	BALANCE AS OF 30.06.2022
A	Cash and cash equivalents	260,868	(29,518)				5,303		236,653
B	Cash equivalents								0
C	Other current financial assets								0
D	**Liquidity (A + B + C)**	**260,868**	**(29,518)**	**0**	**0**	**0**	**5,303**	**0**	**236,653**
E	**Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)**	**(37,861)**	**0**	**27,962**	**(30,968)**	**(5,182)**	**(600)**	**89**	**(46,560)**
	Current account overdrafts	*(12)*		*12*					*0*
	Current account payables	(20,364)		13,523	(18,415)		(414)		(25,670)
	Total current bank loans	*(20,376)*	*0*	*13,535*	*(18,415)*	*0*	*(414)*	*0*	*(25,670)*
	Debenture loan								0
	Amounts due to factoring companies	(9,813)		9,813	(12,553)				(12,553)
	Financial liabilities for rights of use	*(7,601)*		*4,578*		*(5,146)*	*(186)*	*89*	*(8,266)*
	.of which finance leases	*(1,201)*		*608*		*(615)*		*1*	*(1,207)*
	.of which operating leases	*(6,400)*		*3,970*		*(4,531)*	*(186)*	*88*	*(7,059)*
	Current portion of payables due to other lenders	*(71)*		*36*		*(36)*			*(71)*
F	**Current portion of non-current financial debt**	**(56,580)**		**40,368**		**(31,710)**		**(177)**	**(48,099)**
G	**Current financial debt (E + F)**	**(94,441)**	**0**	**68,330**	**(30,968)**	**(36,892)**	**(600)**	**(88)**	**(94,659)**
H	**Net current financial debt (G - D)**	**166,427**	**(29,518)**	**68,330**	**(30,968)**	**(36,892)**	**4,703**	**(88)**	**141,994**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(302,599)**	**0**	**0**	**(17,000)**	**36,892**	**(464)**	**(11,338)**	**(294,509)**
	Medium-/long-term bank loans	(287,816)			(17,000)	31,710		442	(272,664)
	Liabilities for rights of use	(14,536)			0	5,146	(464)	(11,780)	(21,634)
	.of which finance leases	(4,479)				615		(4)	(3,868)
	.of which operating leases	*(10,057)*				*4,531*	*(464)*	*(11,776)*	*(17,766)*
	Amounts due to other lenders	*(247)*				*36*			*(211)*
J	**Debt instruments**	**(244,150)**						**(741)**	**(244,891)**
K	**Trade payables and other non-current payables**								
L	**Non-current financial debt (I + J + K)**	**(546,749)**	**0**	**0**	**(17,000)**	**36,892**	**(464)**	**(12,079)**	**(539,400)**
M	**Total financial debt (H + L)**	**(380,322)**	**(29,518)**	**68,330**	**(47,968)**	**0**	**4,239**	**(12,167)**	**(397,406)**

Financial liabilities €/000 604,159

Financial liabilities are broken down as follows:

IN THOUSANDS OF EUROS	ACCOUNTING BALANCE AS OF 30.06.2022	ACCOUNTING BALANCE AS OF 31.12.2021	NOMINAL VALUE AS OF 30.06.2022	NOMINAL VALUE AS OF 31.12.2021
Bank loans	346,433	364,772	347,968	366,043
Bonds	244,891	244,150	250,000	250,000
Other loans	12,835	10,131	12,835	10,131
Total	**604,159**	**619,053**	**610,803**	**626,174**

The table below shows the debt servicing schedule as of 30 June 2022:

IN THOUSANDS OF EUROS				AMOUNTS FALLING DUE IN				
	NOMINAL VALUE AS OF 30.06.2022	AMOUNTS FALLING DUE WITHIN 12 MONTHS	AMOUNTS FALLING DUE AFTER 12 MONTHS	2ND HALF OF 2023	2024	2025	2026	AFTER
Bank loans	347,968	73,848	274,120	40,975	64,200	34,215	83,063	51,667
- of which opening of credit lines and bank overdrafts	*25,670*	*25,670*	*0*					
- of which medium/long-term bank loans	*322,298*	*48,178*	*274,120*	*40,975*	*64,200*	*34,215*	*83,063*	*51,667*
Bonds	250,000	0	250,000			250,000		
Other loans	12,835	12,624	211	35	71	71	34	
Total	**610,803**	**86,472**	**524,331**	**41,010**	**64,271**	**284,286**	**83,097**	**51,667**

Medium and long-term bank debt amounts to €/000 320,763 (of which €/000 272,664 non-current and €/000 48,099 current) and consists of the following loans:

- a €/000 15,692 medium-term loan (nominal value of €/000 15,715) from the European Investment Bank to finance Research & Development investments planned for the 2016-2018 period. The loan is divided into two disbursements with a final maturity in February and December 2023 and a repayment schedule of 7 annual fixed-rate instalments. Contract terms require covenants (described below);
- a €/000 58,267 (nominal value €/000 58,333) medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio Group's Italian sites in the 2019-2021 period. The loan will mature in February 2027 and has a repayment schedule of 6 fixed-rate annual instalments. Contract terms require covenants (described below);
- a €/000 30,000 medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio Group's Italian sites in the 2019-2021 period. The loan will mature in March 2028 and has a repayment schedule of 6 fixed-rate annual instalments. Contract terms require covenants (described below);
- €/000 24,006 (with a nominal value of €/000 24,500) syndicated loan signed in June 2018 and amended in June 2022. The new structure confirms the tranche of initial €/000 62,500 in the form of a five-year loan with amortisation, in place as of 30 June 2022 for a nominal amount of €/000 22,500, and increases the tranche granted in the form of a revolving loan facility from €/000 187,500 to €/000 200,000 maturing on 5 January 2024 (with a one-year extension at the borrower's discretion) (used as of 30 June 2022 for a nominal amount of €/000 2,000). Contract terms require covenants (described below);
- a €/000 114,169 (nominal value of €/000 115,000) "Schuldschein" loan issued between October 2021 and February 2022 and subscribed by leading market participants. It consists of 7 tranches with maturities of 3, 5 and 7 years at fixed and variable rates;
- a €/000 7,986 medium-term loan (nominal value of €/000 8,000) granted by Banca Popolare Emilia Romagna. The loan will fall due on 1 December 2023 and has a repayment schedule of six-monthly instalments;

- a €/000 23,260 loan (nominal value of €/000 23,333) granted by Banco BPM with a repayment schedule of six-monthly instalments and last payment in July 2025. An Interest Rate Swap has been taken out on this loan to hedge the interest rate risk. Contract terms require covenants (described below);
- €/000 30,000 medium-term loan granted by Cassa Depositi e Prestiti to support international growth in India and Indonesia. The loan has a duration of 5 years expiring on 30 August 2026. It entails a repayment plan with six-monthly instalments and a 12-month grace period. Contract terms require covenants (described below);
- a €/000 3,984 medium-term loan (nominal value of €/000 4,000) granted by Banca Popolare di Sondrio, maturing on 1 June 2026 and with a quarterly repayment schedule;
- a €/000 7,988 medium-term loan (nominal value of €/000 8,000) granted by Cassa di Risparmio di Bolzano, maturing on 30 June 2026 and with a quarterly repayment schedule.
- a €/000 5,411 medium-term loan (nominal value of €/000 5,417) granted by Banca Carige, maturing on 31 December 2026 and with a quarterly repayment schedule.

The Parent Company also has a revolving credit line for €/000 20,000 (undrawn at 30 June 2022) granted by Banca Intesa San Paolo maturing on 31 January 2024 and a revolving credit line for €/000 10,000 (undrawn at 30 June 2022) granted by Banca del Mezzogiorno maturing on 1 July 2026.
All the above financial liabilities are unsecured.

The item "Bonds" amounted to €/000 244,891 (nominal value of €/000 250,000) related to a high-yield debenture loan issued on 30 April 2018 for a nominal amount of €/000 250,000, maturing on 30 April 2025 and with a semi-annual coupon with fixed annual nominal rate of 3.625%. Standard & Poor's and Moody's assigned a BB- rating with a stable outlook and a Ba3 rating with a stable outlook respectively.

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

Financial advances received from factoring companies and banks, on the sale of trade receivables with recourse, totalled €/000 12,553.

Medium-/long-term payables to other lenders equal to €/000 282 of which €/000 211 maturing after the year and €/000 71 as the current portion refer to a loan from the Region of Tuscany, pursuant to regulations on incentives for investments in research and development.

Covenants

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

The measurement of financial covenants and other contract commitments is monitored by the Group on an ongoing basis.
The high yield debenture loan issued by the company in April 2018 provide for compliance with covenants which are typical of international practice on the high yield market. In particular, the company must observe the EBITDA/Net financial 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 2022:

IN THOUSANDS OF EUROS	NOMINAL VALUE	CARRYING AMOUNT	FAIR VALUE [11]
High yield debenture loan	250,000	244,891	238,568
EIB (R&D loan 2016-2018)	15,715	15,692	15,656
EIB (R&D loan 2019-2021)	58,333	58,267	54,724
EIB (R&D loan 2019-2021) Top-up	30,000	30,000	27,667
BPER Bank loan	8,000	7,986	8,084
Loan from CDP	30,000	30,000	32,990
Revolving syndicated loan 2024	2,000	1,551	2,033
Syndicated loan 2023	22,500	22,455	22,869
Loan from Banco BPM	23,333	23,260	22,826
Loan from Banca CARIGE	5,417	5,411	5,137
Loan from CariBolzano	8,000	7,988	7,716
Loan from B.Pop. Sondrio	4,000	3,984	4,362
Schuldschein loan	115,000	114,169	131,641

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 2022, by hierarchical level of fair value measurement.

IN THOUSANDS OF EUROS	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS MEASURED AT FAIR VALUE			
Investment Property			
Financial derivatives:			
- of which financial assets			
- of which other receivables		6,123	
Investments in other companies			16
Total assets		**6,123**	**16**
LIABILITIES MEASURED AT FAIR VALUE			
Financial derivatives			
- of which financial liabilities			
- of which other payables		(149)	
Financial liabilities at fair value recognised through profit or loss			
Total liabilities		**(149)**	
General total		**5,974**	**16**

The following tables show Level 2 and Level 3 changes during the first half of 2022:

IN THOUSANDS OF EUROS	LEVEL 2	LEVEL 3
Balance as of 31 December 2021	**8,075**	**16**
Gain (loss) recognised in profit or loss		
Gain (loss) recognised in the statement of comprehensive income	(2,101)	
Increases/(Decreases)		
Balance as of 30 June 2022	**5,974**	**16**

11 The value deducts DVA related to the issuer, i.e. it includes the risk of insolvency of Piaggio.

Financial liabilities for rights of use €/000 29,900

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

	AS OF 30 JUNE 2022			AS OF 31 DECEMBER 2021			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
IN THOUSANDS OF EUROS									
Operating leases	7,059	17,766	24,825	6,400	10,057	16,457	659	7,709	8,368
Finance leases	1,207	3,868	5,075	1,201	4,479	5,680	6	(611)	(605)
Total	**8,266**	**21,634**	**29,900**	**7,601**	**14,536**	**22,137**	**665**	**7,098**	**7,763**

Operating lease liabilities include payables to the parent companies Immsi and Omniaholding for €/000 3,024 (€/000 1,898 non-current portion).
Payables for finance leases amounted to €/000 5,075 (nominal value of €/000 5,081) and break down as follows:
- a Sale&Lease back agreement for €/000 5,020 (nominal value of €/000 5,026) granted by Albaleasing on a production plant of the Parent Company. The agreement is for ten years, with quarterly repayments (non-current portion equal to €/000 3,823);
- a finance lease for €/000 55 granted by VFS Servizi Finanziari to the company Aprilia Racing for the use of vehicles (non-current portion equal to €/000 45).

The table below shows the repayment schedule as of 30 June 2022:

IN THOUSANDS OF EUROS				AMOUNTS FALLING DUE IN				
	CARRYING AMOUNT AS OF 30.06.2022	AMOUNTS FALLING DUE WITHIN 12 MONTHS	AMOUNTS FALLING DUE AFTER 12 MONTHS	2ND HALF OF 2023	2024	2025	2026	AFTER
Financial liabilities for rights of use								
- of which operating leases	*24,825*	*7,059*	*17,766*	*4,232*	*4,976*	*2,530*	*1,563*	*4,465*
- of which finance leases	*5,075*	*1,207*	*3,868*	*610*	*1,265*	*1,240*	*753*	
Total	**29,900**	**8,266**	**21,634**	**4,842**	**6,241**	**3,770**	**2,316**	**4,465**

F) MANAGEMENT OF FINANCIAL RISK

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

39. Credit risk

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

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2022	AS OF 31 DECEMBER 2021
Liquid assets	236,599	260,829
Financial receivables	16	192
Other receivables	69,360	80,901
Tax receivables	39,752	26,446
Trade receivables	148,141	71,225
Total	**493,868**	**439,593**

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.

40. Financial risks

The financial risks the Group is exposed to are liquidity risk, exchange risk, interest rate risk and credit 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 2022 the most important credit lines irrevocable until maturity granted to the Parent Company were as follows:
- a debenture loan of €/000 250,000 maturing in April 2025;
- a Schuldschein loan of €/000 115,000, with final settlement in February 2029;
- a credit line of €/000 222,500 comprising a Revolving loan Facility of €/000 200,000 maturing in January 2024 and a loan of €/000 22,500 maturing in July 2023;
- Revolving credit facilities for a total of €/000 30,000, with final settlement in July 2026;
- loans for a total of €/000 182,798, with final settlement in March 2028.

Other Group companies also have irrevocable loans totalling €/000 14,441 with final settlement in December 2023.

As of 30 June 2022, the Group had a liquidity of €/000 236,653, undrawn irrevocable credit lines of €/000 242,441 and revocable credit lines of €/000 227,217, as detailed below:

IN THOUSANDS OF EUROS	AS OF 30 JUNE 2022	AS OF 31 DECEMBER 2021
Variable rate with maturity within one year - irrevocable until maturity		195,500
Variable rate with maturity after one year - irrevocable until maturity	242,441	20,000
Variable rate with maturity within one year - cash revocable	216,217	226,844
Variable rate with maturity within one year - with revocation for self-liquidating typologies	11,000	11,000
Total undrawn credit lines	**469,658**	**453,344**

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:

- **the transaction exchange risk:** the policy wholly covers this risk which arises from differences between the recognition exchange rate of receivables or payables in foreign currency in the financial statements and the recognition exchange rate of actual collection or payment. To cover this type of exchange risk, the exposure is naturally offset in the first place (netting between sales and purchases in the same currency) and if necessary, by signing currency future derivatives, as well as advances of receivables denominated in currency;
- **the translation exchange risk:** arises from the translation into Euro of the financial statements of subsidiaries prepared in currencies other than the Euro during consolidation. The policy adopted by the Group does not require this type of exposure to be covered;
- **the economic exchange risk:** arises from changes in company profitability in relation to annual figures planned in the economic budget on the basis of a reference change (the "budget change") and is covered by derivatives. The items of these hedging operations are therefore represented by foreign costs and revenues forecast by the sales and purchases budget. The total of forecast costs and revenues is processed monthly and associated hedging is positioned exactly on the average weighted date of the economic event, recalculated based on historical criteria. The economic occurrence of future receivables and payables will occur during the budget year.

Cash flow hedging

As of 30 June 2022, the Group had undertaken the following futures operations (recognised based on the settlement date), in relation to payables and receivables already recognised to hedge the transaction exchange risk:

COMPANY	OPERATION	CURRENCY	AMOUNT IN CURRENCY	VALUE IN LOCAL CURRENCY (FORWARD EXCHANGE RATE)	AVERAGE MATURITY
			IN THOUSANDS	IN THOUSANDS	
Piaggio & C.	Purchase	CAD	4,850	3,561	12/07/2022
Piaggio & C.	Purchase	CNY	226,500	31,960	06/08/2022
Piaggio & C.	Purchase	GBP	500	584	22/07/2022
Piaggio & C.	Purchase	JPY	705,000	5,286	16/08/2022
Piaggio & C.	Purchase	SEK	9,000	855	23/08/2022
Piaggio & C.	Purchase	USD	38,500	35,740	31/07/2022
Piaggio & C.	Sale	CAD	8,750	6,347	16/07/2022
Piaggio & C.	Sale	CNY	25,000	3,528	25/07/2022
Piaggio & C.	Sale	IDR	5,800,000	369	27/07/2022
Piaggio & C.	Sale	JPY	80,000	565	08/07/2022
Piaggio & C.	Sale	USD	110,210	104,146	10/09/2022
Piaggio Vietnam	Sale	JPY	355,158	62,811,581	08/09/2022
Piaggio Vietnam	Sale	USD	40,495	938,873,982	15/08/2022
Piaggio Indonesia	Sale	USD	8,660	128,321,720	23/07/2022
Piaggio Vespa BV	Sale	CNY	24,997	3,566	27/07/2022
Piaggio Vespa BV	Sale	IDR	14,778,390	938	27/07/2022
Piaggio Vespa BV	Sale	USD	10,700	9,929	24/04/2023
Piaggio Vehicles Private Limited	Sale	USD	6,300	495,630	08/08/2022

As of 30 June 2022, 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.	Purchase	CNY	332,500	41,212	04/10/2022
Piaggio & C.	Sale	CNY	18,500	2,646	30/07/2022
Piaggio & C.	Sale	USD	2,300	2,101	18/07/2022
Piaggio & C.	Sale	GBP	5,200	6,115	24/09/2022

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

As of 30 June 2022 the total fair value of hedging instruments for the economic exchange risk recognised on a hedge accounting basis was positive by €/000 5,496. During the first half of 2022, profit was recognised under Other Comprehensive Income amounting to €/000 1,815 and losses from Other Comprehensive Income were reclassified under profit/loss for the period amounting to €/000 4,623.

The net balance of cash flows during the first half of 2022 in main currencies is shown below:

IN MILLIONS OF EUROS	CASH FLOW FOR THE 1ST HALF OF 2022
Canadian Dollar	12.1
Pound Sterling	19.6
Swedish Krone	(0.5)
Japanese Yen	(0.9)
US Dollar	57.9
Indian Rupee	(32.5)
Croatian Kuna	0.8
Chinese Yuan[12]	(53.8)
Vietnamese Dong	(86.6)
Singapore Dollar	(1.5)
Indonesian Rupiah	35.9
Total cash flow in foreign currency	**(49.5)**

In view of the above, an assumed appreciation/deprecation of 3% of the euro would have generated potential profits for €/000 1,441 and potential losses for €/000 1,531 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 2022, 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 30,000 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 2022, the fair value of the instrument was positive by €/000 552. The sensitivity analysis of the instrument, assuming a 1% increase and decrease in the shift of the interest rates curve, showed a potential impact on equity, net of the related tax effect, of €/000 201 and €/000 -207 respectively.

IN THOUSANDS OF EUROS	FAIR VALUE
PIAGGIO & C. S.P.A.	
Interest Rate Swap	552

12 Cash flow partially in USD.

Commodity Price Risk

This risk arises from the possibility of changes in company profitability due to fluctuations in commodity prices (specifically platinum and palladium). The Group's objective is therefore to neutralise such possible adverse changes deriving from highly probable future transactions by compensating them with opposite variations related to the hedging instrument.
Cash flow hedging is adopted with this type of hedging, with the effective portion of profits and losses recognised in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.
As of 30 June 2022, the total fair value of hedging instruments for commodity price risk recognised on a hedge accounting basis was negative by €/000 74. During the first half of 2022, profit was recognised under Other Comprehensive Income amounting to €/000 172 and losses from Other Comprehensive Income were reclassified under profit/loss for the period amounting to €/000 50.

G) INFORMATION ON SHAREHOLDERS' EQUITY

41. Share capital and reserves — €/000 424,273

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 2022

	NO. OF SHARES	% COMPARED TO THE SHARE CAPITAL	MARKET LISTING	RIGHTS AND OBLIGATIONS
Ordinary shares	358,153,644	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.

Own shares — €/000 (5,571)

During the period, 1,528,130 own shares were acquired. Therefore, as of 30 June 2022, Piaggio & C. held 2,573,948 own shares, equal to 0.72% of the shares issued.

OUTSTANDING SHARES AND OWN SHARES

NO. OF SHARES	2022	2021
Situation as of 1 January		
Shares issued	358,153,644	358,153,644
Own shares	1,045,818	1,028,818
Outstanding shares	357,107,826	357,124,826
Movements for the period		
Purchase of own shares	1,528,130	17,000
Situation as of 30 June 2022 and 31 December 2021		
Shares issued	358,153,644	358,153,644
Own shares	2,573,948	1,045,818
Outstanding shares	355,579,696	357,107,826

Share premium reserve — €/000 7,171

The share premium reserve as of 30 June 2022 was unchanged compared to 31 December 2021.

Legal reserve — €/000 28,954

The legal reserve as of 30 June 2022 had increased by €/000 2,902 as a result of the allocation of earnings for the last period.

Financial instruments' fair value reserve — €/000 4,503

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 approved

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

Earnings reserve — €/000 183,122

Capital and reserves of non-controlling interest — €/000 (173)

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

42. Other comprehensive income €/000 1,754

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 2022						
Items that will not be reclassified in the income statement						
Remeasurements of defined benefit plans			3,342	3,342		3,342
Total	0	0	3,342	3,342	0	3,342
Items that may be reclassified in the income statement						
Total translation gains (losses)		(392)		(392)	(24)	(416)
Share of Other Comprehensive Income of subsidiaries/associates valued with the equity method		408		408		408
Total profits (losses) on cash flow hedges	(1,580)			(1,580)		(1,580)
Total	(1,580)	16	0	(1,564)	(24)	(1,588)
Other comprehensive income	**(1,580)**	**16**	**3,342**	**1,778**	**(24)**	**1,754**
AS OF 30 JUNE 2021						
Items that will not be reclassified in the income statement						
Remeasurements of defined benefit plans			194	194		194
Total	0	0	194	194	0	194
Items that may be reclassified in the income statement						
Total translation gains (losses)		1,849		1,849	(12)	1,837
Share of Other Comprehensive Income of subsidiaries/associates valued with the equity method		493		493		493
Total profits (losses) on cash flow hedges	3,101			3,101		3,101
Total	3,101	2,342	0	5,443	(12)	5,431
Other comprehensive income	**3,101**	**2,342**	**194**	**5,637**	**(12)**	**5,625**

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

	AS OF 30 JUNE 2022			AS OF 30 JUNE 2021		
	GROSS VALUE	TAX (EXPENSE) / BENEFIT	NET VALUE	GROSS VALUE	TAX (EXPENSE) / BENEFIT	NET VALUE
IN THOUSANDS OF EUROS						
Remeasurements of defined benefit plans	4,398	(1,056)	3,342	255	(61)	194
Total translation gains (losses)	(416)		(416)	1,837		1,837
Share of Other Comprehensive Income of subsidiaries/associates valued with the equity method	408		408	493		493
Total profits (losses) on cash flow hedges	(2,079)	499	(1,580)	4,080	(979)	3,101
Other comprehensive income	**2,311**	**(557)**	**1,754**	**6,665**	**(1,040)**	**5,625**

H) OTHER INFORMATION

43. Share-based incentive plans

As of 30 June 2022, there were no incentive plans based on financial instruments.

44. Information on related parties

Revenues, costs, payables and receivables as of 30 June 2022 involving parent, subsidiary and associate companies, refer to the sale of goods or services which are a part of normal operations of the Group.
Transactions are carried out at normal market values, depending on the characteristics of the goods and services provided.
Information on transactions with related parties, including information required by Consob in its communication of 28 July 2006 no. DEM/6064293, is reported in the notes of the Consolidated Financial Statements.
The procedure for transactions with related parties, pursuant to Article 4 of Consob Regulation no. 17221 of 12 March 2010 as amended, approved by the Board on 30 September 2010, is published on the institutional site of the Issuer www.piaggiogroup.com, under Governance.

Relations with Parent Companies

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

NAME	REGISTERED OFFICE	TYPE	% OF OWNERSHIP	
			AS OF 30 JUNE 2022	AS OF 31 DECEMBER 2021
Immsi S.p.A.	Mantova - Italy	Direct parent company	50.0703	50.0703

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

- as regards mandatory financial disclosure, and in particular the financial statements and reports on operations relating to Group companies, IMMSI has produced a group manual containing the accounting standards adopted and options chosen for implementation, in order to give a consistent and fair view of the consolidated financial statements.

- IMMSI has defined procedures and times for preparing the budget and in general the business plan of Group companies, as well as final management analysis to support management control activities.

- IMMSI has also provided services for the development and management of assets, with a view to optimising resources within the Group, and provided property consultancy services and other administrative services.

- IMMSI has provided consultancy services and assistance concerning extraordinary financing operations, organisation, strategy and coordination, as well as services intended to optimise the financial structure of the Group.

In 2019, for a further three years, the Parent Company[13] signed up to the National Consolidated Tax Mechanism pursuant to Articles 117 to 129 of the Consolidated Income Tax Act (T.U.I.R.) of which IMMSI S.p.A. is the consolidating company, and to whom other IMMSI Group companies report to. The consolidating company determines a single global income equal to the algebraic sum of taxable amounts (income or loss) realised by individual companies that opt for this type of group taxation.
The consolidating company recognises a receivable from the consolidated company which is equal to the corporate tax to be paid on the taxable income transferred by the latter. Whereas, in the case of companies reporting tax losses, the consolidating company recognises a payable related to corporate tax on the portion of loss actually used to determine global overall income, or calculated as a decrease of overall income for subsequent tax periods, according to the procedures in Article 84, based on the criterion established by the consolidation agreement.
Under the National Consolidated Tax Mechanism, companies may, pursuant to article 96 of Presidential Decree no. 917/86, allocate the excess of interest payable which is not deductible to one of the companies so that, up to the excess of Gross Operating Income produced in the same tax period by other subjects party to the consolidation, the amount may be used to reduce the total income of the Group.

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

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

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

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

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

Transactions with Piaggio Group companies

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

Piaggio & C. S.p.A.

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

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

- It provides promotional material to:
  - Piaggio France
  - Piaggio Indonesia
  - Piaggio España
  - Piaggio Limited

- grants licences for rights to use the brand and technological know-how to:
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam
  - Aprilia Racing

- provides support services for scooter and engine industrialisation to:
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam

- leases a part of the owned property to:
  - Aprilia Racing

- subleases a part of the rented property to:
  - Piaggio Concept Store Mantova

- has cash pooling agreements with:
  - Piaggio France
  - Piaggio Deutschland
  - Piaggio España
  - Piaggio Vespa

- has loan agreements with:
  - Piaggio Fast Forward
  - Aprilia Racing
  - Nacional Motor

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

Piaggio Vietnam sells vehicles, spare parts and accessories, which it has manufactured in some cases, for sale on respective markets, to:
- Piaggio Indonesia
- Piaggio Group Japan
- Piaggio & C. S.p.A.
- Foshan Piaggio Vehicles Technology R&D

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

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

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

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

Piaggio France, Piaggio Deutschland, Piaggio Limited, Piaggio España and Piaggio Vespa
- provide a sales promotion service and after-sales services to Piaggio & C. S.p.A. for their respective markets.

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

Foshan Piaggio Vehicles Technology R&D provides to:
- Piaggio & C. S.p.A.:
  - component and vehicle design/development service;
  - scouting of local suppliers to Piaggio & C S.p.A.;

- Piaggio Vehicles Private Limited:
  - scouting of local suppliers to Piaggio & C S.p.A.;

- Piaggio Vietnam:
  - scouting of local suppliers to Piaggio & C S.p.A.;
  - a distribution service for vehicles, spare parts and accessories on its own market.

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

Piaggio Fast Forward:
- provides Piaggio & C. S.p.A. with a research/design/development service;
- sells Piaggio & C. S.p.A. some components.

Aprilia Racing provides Piaggio & C. S.p.A:
- a racing team management service;
- vehicle design service.

Piaggio Espana supplies Nacional Motor:
- with an administrative/accounting service.

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

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

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

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

Foshan Piaggio Vehicles Technology R&D
- provides advisory services to Zongshen Piaggio Foshan Motorcycle Co. Ltd.

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

The table below summarises relations described above and financial relations with parent companies, subsidiaries and affiliated companies as of 30 June 2022 and relations during the year, as well as their overall impact on financial statement items.

IN THOUSANDS OF EUROS	FONDAZIONE PIAGGIO	IMMSI	IMMSI AUDIT	OMNIA HOLDING	ZONGSHEN PIAGGIO FOSHAN	TOTAL	% OF ACCOUNTING ITEM
			AS OF 30 JUNE 2022				
Income statement							
Cost for materials					26,120	26,120	3.83%
Cost for services and leases and rentals	5	201	400	17	25	648	0.44%
Other operating income		25	12		232	269	0.35%
Other operating costs			6			6	0.05%
Income/(loss) from investments					(80)	(80)	100.00%
Financial costs		31		9		40	0.34%
Financial statements							
Current trade receivables			6		453	459	0.31%
Other current receivables		19,251	7		488	19,746	42.79%
Financial liabilities for rights of use > 12 months		1,435		463		1,898	8.77%
Financial liabilities for rights of use < 12 months		918		208		1,126	13.62%
Current trade payables	16	37		9	23,455	23,517	3.10%
Other current payables	10	14,879	40			14,929	19.77%

45. Disputes

Canadian Scooter Corp. (CSC), 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 case is currently suspended due to no action being taken by the other party. Piaggio considered the possibility of filing a petition for an "order to dismiss" the lawsuit due no action being taken by the other party, however it decided not to proceed at that time as the costs outweighed the possible benefits.

Da Lio S.p.A., by means of a complaint 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 the joinder of the proceedings with the proceedings opposing the injunction issued in favour of Piaggio for the return of the moulds retained by the supplier at the end of the supply agreement. The proceedings were therefore joined and with an order pursuant to Article 186ter of the code of civil procedure dated 7 June 2011, Piaggio was ordered to pay €109,586.60, plus interest, relative to the amounts not contested. During 2012, witness evidence was taken followed by a technical appraisal, requested by Da Lio to quantify the amount of interest claimed by Da Lio and value of stock. The technical appraisal was concluded at the end of 2014. The case was adjourned to 23 September 2016 for specification of the pleadings, with the case held for decision. Subsequently, the Court of Pisa had to reassign the case, and after the interruption, the re-appointed Judge decided to re-examine the proceedings and set a new hearing for closing arguments. The parties submitted their closing arguments again, exchanging relative briefs and rejoinders. In a ruling published on 8 August 2019, the Court of Pisa ordered Piaggio in the first instance to pay a total 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 Florence Court of Appeal (Third Civil Court section) partially accepted the petition to suspend the enforceability of the ruling made by Piaggio up to the amount of €2,670,210.26, rejecting the rest of the appeal and confirming the enforceability of the ruling for the additional amounts. The Court of Appeal ordered the exchange of written submissions containing the Parties' requests and conclusions in lieu of the first hearing set for 9 June 2021. As a result of the situation related to the COVID-19 pandemic, the case was adjourned to the next hearing on 8 June 2022 for closing arguments. At the end of the hearing on 8 June 2022, the Court held the case for decision, assigning to the parties the deadline for the filing of the final and reply statements on 7 and 27 September 2022, respectively.

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.
During the case, Piaggio requested the enforcement of bank guarantees that ensured against the risk of default by the dealer issued in its favour by three banks. Elma attempted to stop enforcement of the guarantees with preventive proceedings at the Court of Pisa (Pontedera section): the proceedings ended in favour of Piaggio that collected the amounts of the guarantees (over €400,000). Trial proceedings took place and a hearing was held on 24 April 2013 to examine evidence. After reaching a decision at the aforesaid hearing, the Judge rejected requests for preliminary examination of Elma and set the hearing for 17 December 2015 for closing arguments, which was adjourned to 3 March 2016 and was then not held as the judge was transferred. The case was reassigned to a new Judge, who set the hearing for 19 July 2018, which was adjourned to 4 October 2018 and then to 10 January 2019 to discuss arguments. In the latter hearing, although the parties had already filed their closing arguments, the Judge adjourned the case, for closing arguments to be made, to the hearing of 9 April 2019. In ruling no. 1211/2019, published on 25 November 2019, the Court of Pisa ruled in favour of Piaggio. 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 has 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. At the first hearing held by way of

written hearing on 2 March 2021, with the filing of authorised notes, the Court held the case for decision, assigning the parties legal deadlines for filing their final statements and respective replies, which were filed within the deadlines by both parties.

As regards the matter, Elma has also brought a case against a former senior manager of the company before the Court of Rome, claiming compensation for damages: Piaggio appeared in the proceedings, requesting, among other things, that the case be moved to the Court of Pisa. At the hearing of 27 January 2014, the Judge ruled on the preliminary exceptions and did not admit preliminary briefs. The hearing for closing arguments set for 21 December 2015 and subsequently adjourned, was not held as the Judge, on petition of Elma, re-opened the preliminary investigation, admitting testimonial evidence and setting the hearing for 25 May 2016. On this date, examination of the witnesses began and the hearing was adjourned to 24 October 2016 to continue the preliminary investigation. On 11 April 2017, the parties made an attempt at conciliation, initiated by the Judge, which was unsuccessful. The Judge admitted an accounting expert requested by Elma, although with a far more limited scope than the petition filed, adjourning the case to the hearing of 9 October 2018 for closing arguments. The expert's appraisal was filed in October 2018. The parties exchanged their closing arguments and respective rejoinders. In a ruling of 31 May 2019 (published on 3 June 2019) the Ordinary Court of Rome, Civil Section XII, rejected the claim made by Elma S.r.l., also ordering it to pay the expert's fees and legal fees. Elma appealed to 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, and held by written hearing with exchange of authorised notes. At this stage, the Court rejected the request for annulment of the technical appraisal carried out at first instance, formulated by Elma, deeming this decision to be strictly related to the examination of the appeal on merits, and therefore adjourned the case to the hearing of 10 October 2023 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, set for 4 February 2015, adjourned to 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. At the hearing of 29 May 2015, having appointed the expert, the Judge set 10 January 2016 as the deadline for filing the final appraisal report and 3 February 2016 as the date for the hearing to discuss it. During this hearing, the Judge, 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. The date of the hearing still has to be set.

In summons dated 27 October 2014, Piaggio summoned PEUGEOT MOTOCYCLES ITALIA S.p.A., MOTORKIT s.a.s. di Turcato Bruno and C., GI.PI to the Companies Court of Milan. MOTOR di Bastianello Attilio and GMR MOTOR S.r.l. before the 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 of 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. The witness's appraisal report was filed on 2 May 2017 andthe Judge adjourned the case to the hearing of 28 February 2018 for closing arguments. At the hearing, the Judge ordered an addition to the expert's appraisal, filed on 20 June 2018 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 (equal to €22,800) and to pay the defendant €21,387 for the costs of the proceedings ("Judgment 1"), and 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 Judgment 1 before the Court of Appeal of Milan. At the first hearing held on 17 February 2021, the Court verified the admissibility of the notification of the summons to appeal and the parties presented their respective arguments by referring to the filed documents. The Court rejected the objection raised by the Peugeot on the grounds that the appeal was inadmissible, and set the hearing for closing arguments for 10 November 2021, adjourned to 23 March 2022, in which the deadlines for filing closing and reply statements, which were exchanged between the parties. Piaggio also insisted on a date being set for the oral hearing pursuant to Article 352(2) of the Code of Civil Procedure. A hearing was set for 14 September 2022.

PEUGEOT MOTOCYCLES SAS summoned Piaggio to appear before the Court of Milan, claiming that the patent based on which Piaggio filed a claim in Case 1 for counterfeiting would be voidable, due to a previously existing Japanese patent ("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. During the hearing of 20 February 2018, the Judge established the deadlines for filing preliminary briefs and the case was adjourned to the hearing of 22 May 2018, after which an expert's appraisal was ordered, with the date of 15 January 2019 set for the filing. After the expert's appraisal was filed (confirming the validity of Piaggio's patent), and discussed during the hearing of 29 January 2019, the Judge requested further technical confirmations from the expert, establishing a deadline by which Peugeot must have requested additions to the appraisal. The Judge rejected Peugeot's request for clarification and considered that the case was ready for decision, adjourning the hearing to 15 December 2020 for the definition of the closing arguments of the joined cases (infringement and nullity). The Judge granted the time limits prescribed by law for the filing of closing statements, which were duly exchanged between the parties. At Peugeot's request pursuant to Article 275, paragraph 2 of the Italian Code of Civil Procedure, the Court ordered the discussion of arguments of the case, setting the hearing for 24 June 2021, holding the case for decision. On 20 September 2021, the Court of Milan – Business Section – ruled in favour of Piaggio (i) rejecting the application for invalidity of the EP patent owned by Piaggio, (ii) ascertaining the infringement and inhibiting, limited to Italy, the production, import, export, marketing, advertising, also through the Internet, of the aforementioned motorcycles; (iii) ordering Peugeot Italia to withdraw the counterfeit motorcycles from the market; (iv) establishing a penalty of €6,000.00 to be paid by each of the defendants for each Metropolis motorcycle marketed after the expiry of the deadline of thirty days from the notification of this ruling and of €10,000.00 to be paid by Peugeot Italia and Peugeot Motocycles S.A.S. for each day's delay in implementing order sub 3, after the term of deadline of ninety days from the notification of this ruling; (v) charging Peugeot the costs of litigation and also ordering it to pay legal costs in favour of Piaggio.
Peugeot appealed against the ruling, and against Piaggio, at the same time taking action to suspend the provisional effect of the ruling in the first instance. The latter appeal was dismissed by an Order of 6 December 2021 confirming the provisional effect of the ruling in the first instance against Peugeot Italia. In the appeal judgment, during the first hearing held on 23 March 2022, the parties stated their findings at the request of the Court, which granted the legal deadlines for filing their final statements. The parties exchanged their briefs and Piaggio insisted on a date being set for the oral hearing pursuant to Article 352(2) of the Code of Civil Procedure. A hearing was therefore set for 14 September 2022.

Piaggio started a similar legal action against PEUGEOT MOTOCYCLES SAS 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 exchanged between the parties. The hearing to assess preliminary findings, set for 29 September 2016, was adjourned to 9 February 2017 and then to 6 September 2017. 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 proceedings were adjourned to the hearing of 17 October 2019. Subsequently, the term deadline for filing briefs was extended. A hearing was held on 17 September 2020. The parties filed their respective pleadings and at the hearing on 11 March 2021, the case was held for decision. In a sentence of 7 September 2021, the Court of Paris ruled in favour of Piaggio ordering Peugeot Motocycles to pay compensation for damages amounting to €1,500,000, in addition to further fines for infringement and legal costs, ordering a ban on Peugeot Motocycles manufacturing, promoting, marketing, importing, exporting, using and / or possessing in French territory any three-wheeler scooter that uses the control system patented by Piaggio (including the Peugeot Metropolis). The ruling, however, is not provisionally enforceable. Piaggio appealed for the provisional enforceability of the judgment in the first instance with a hearing held on 8 February 2022. The Court rejected the application to grant Piaggio provisional enforceability with a decision on 8

March 2022. At the same time, Peugeot appealed against the ruling in the first instance and Piaggio appeared in the appeal proceedings. On 11 June 2022, Piaggio filed the first defence brief in which it insisted on rejecting the appeal presented by Peugeot.

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 disputes involving the parent company Piaggio & C. SpA (hereinafter also "the Company" or "the Parent Company"), it should be noted that the dispute concerning the notices of assessment for regional production tax and corporate income tax notified to Piaggio & C. S.p.A. on 22 December 2017, both relating to the 2012 tax period and containing findings on transfer pricing, is pending before the Regional Tax Tribunal of Tuscany. In this regard, it should be noted that the Company was successful in the first instance before the Florence Provincial Tax Commission with a ruling filed on 15 January 2020; the Revenue Agency appealed against this decision before the Provincial Tax Commission with a summons issued to Piaggio & C. on 12 October 2020; The Company therefore filed an appearance on 2 December 2020 and is waiting for the date of the hearing to be set.

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 2009-2010, 2010-2011, 2011-2012 and 2012-2013, respectively involving claims for approximately €1.4 million, €1.3 million, €1.1 million and €0.9 million, inclusive of interest, the following is reported:
- for all the years concerned, the Parent Company was successful before the Income Tax Appellate Tribunal;
- as regards disputes relative to the 2009-2010, 2010-2011, 2011-2012 and 2012-2013 periods, the Indian tax authorities filed an appeal against the first instance decision before the High Court;
- the dispute relative to the 2009-2010 period can be considered as settled, as no reply was received from the local tax authorities within the deadlines established by local regulations in response to a request for clarifications made over 700 days previously by the ruling body. In this regard, the Indian tax authorities could request a remittal for the reply, but in the opinion of consultants assisting the Company the likelihood of the High Court granting this is remote;
- in relation to the disputes relating to the tax periods 2010-2011, 2011-2012 and 2012-2013, the date of the hearing is pending.

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 (for a total of €1.1 million) in compliance with local regulations.
The Company has not considered allocating provisions for these disputes, considering the rules in its favour, in the first instance, and the positive opinions expressed by consultants appointed as counsel.

Moreover, the Parent Company received a VAT assessment order from the Indian tax authorities relative to the 2010-2011 tax period, concerning the non-application of VAT to intergroup transactions with Piaggio Vehicles PVT Ltd relative to royalties. A similar order was also notified for the 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017 and 2017-2018. tax periods. The amount of the dispute including interest is approximately €0.8 million for each of the disputed tax periods, of which a small part already paid to the Indian tax authorities, in compliance with local law. The Company decided to appeal against the order relative to the 2010-2011 tax period before the High Court, filing its appeal on 17 June 2019; the Departmental Appellate Authority – Joint Commissioner of Sales Tax orders were appealed relating to subsequent tax periods, with appeals filed in July 2020 for the dispute concerning the 2011-2012 tax period and on 21 June 2021 in relation to the dispute concerning the 2012-2013 tax period and on 28 April 2022 for the remaining tax periods.

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 subsidiary, some disputes concerning different tax years from 1998 to 2017 are ongoing related to direct and indirect tax assessments and for a part of which, considering positive opinions expressed by consultants appointed as counsel, provisions have not 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 when proceedings are successfully concluded in its favour.
It should also be noted that in 2021, Piaggio Vehicles PVT Ltd decided to sign up for the Vivvad Se Vishwas Scheme, a facilitated dispute settlement procedure for certain disputes, thanks to which it was able to settle pending disputes by paying, where due, only the disputed tax (or 50% of it where appealed by the Indian tax authorities), thereby saving on penalties and interest.

With reference to PT Piaggio Indonesia, the company has certain disputes outstanding relating to the 2015, 2017 and 2018 tax periods.
In particular, in relation to the 2015 tax period, the company appealed against the notices concerning transfer pricing, Withholding Taxes and Value Added Tax respectively.
With reference to the dispute relating to transfer pricing, on 22 September 2021, the Supreme Court issued a final ruling against the Company, limited to the dispute concerning the deduction of financial guarantees.
in relation to the dispute concerning Withholding Taxes, on 10 October 2019, the company appealed to the Tax Court, which on 5 March 2021, ruled against one of the findings made by the local tax authorities concerning financial guarantees. On 9 June 2021, the company filed an appeal against this ruling before the Supreme Court.
With regard to the dispute on Value Added Tax, the Company filed an appeal on 4 May 2021 with the Tax Court and the first hearing took place on 22 October 2021. It should be noted that the dispute also concerns the month of December 2014.
With respect to the 2017 period, the company filed an appeal with the Tax Court on 8 September 2020 against the transfer pricing and withholding tax notice. The Tax Court expressed an unfavourable opinion regarding the Company, which filed an appeal with the Supreme Court on 13 July.
The total amount currently in question amounts to €0.1 million and where due (i.e. where not offset by the company's past losses) has already been paid in full to the Indonesian tax authorities in accordance with the regulations in force there.
Finally, as regards the 2018 tax period, the dispute, relating to transfer pricing, concerns a higher tax of about €0.2 million. On 17 September 2021, the company appealed against filed action against the notice of assessment before the Tax Court and is waiting for the date of the hearing to be set.

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 appealed against the report with the Tax Center – Dispute Resolution Department. Following the unfavourable outcome of this appeal, the Company appealed before the Administrative Court of Appeal, which ruled in favour of the local tax authorities in a ruling of 27 April 2017. The Company therefore appealed before the Supreme Court. The hearing before this court is currently scheduled for 30 November 2022. 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.

46. 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 2022 and in 2021.

47. Transactions arising from atypical and/or unusual transactions

During 2021 and the first six months of 2022, 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.

48. Events occurring after the end of the period

To date, no events have occurred after 30 June 2022 that make additional notes or adjustments to these Financial Statements necessary.
In this regard, reference is made to the Report on Operations for significant events after 30 June 2022.

49. Authorisation for publication

This document was published on 24 August 2022 authorised by the Chairman and Chief Executive Officer.

Mantova, 28 July 2022

for the Board of Directors

Chairman and Chief Executive Officer
Roberto 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.


PIAGGIO

List of companies included in the scope of consolidation on a line-by-line basis as of 30 June 2022

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	1,030,200.00	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.Ss	Hong Kong	China	12,500,000 auth. capital (12,151,000 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	14,599.12	USD	86.9915447%			86.9915447%
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	400,000.00	HRK		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	64,751,000,000.00	VND	63.50%	36.50%	Piaggio Vespa B.V.	100%
PT Piaggio Indonesia	Jakarta	Indonesia	10,254,550,000.00	IDR	29.28573913%	70.71426087%	Piaggio Vespa B.V.	100%

List of companies included in the scope of consolidation with the equity method as of 30 June 2022.

COMPANY NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CUR-RENCY	% 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 2022

COMPANY NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CUR-RENCY	% 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 Condensed Consolidated Interim Financial Statements pursuant to article 154-bis of Italian Legislative Decree no. 58/98

1. The undersigned Roberto Colaninno (Chairman and 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 2022.

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: 28 July 2022

/s/ Roberto Colaninno	/s/ Alessandra Simonotto
Roberto Colaninno Chairman and Chief Executive Officer	Alessandra Simonotto Executive in charge of financial reporting

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

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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, 2022, 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, 2022 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 5, 2022

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 2022 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.

PIAGGIO GROUP

Management and Coordination
IMMSI S.p.A.
Share capital €207,613,944.37, fully paid up
Registered office: Viale R. Piaggio 25, Pontedera (Pisa)
Pisa Register of Companies and Tax Code 04773200011
Pisa Economic and Administrative Index no. 134077