Share capital €178,464,000 fully paid up
Registered office: Piazza Vilfredo Pareto, 3 – 46100 Mantova
Mantova Register of Companies – Tax code and VAT registration number 07918540019

Half-Yearly Financial Report of the Immsi Group as of 30 June 2023

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

Immsi

Contents:

This document was approved by the Board of Directors of Immsi S.p.A. on 5 September 2023 and is available for the public to consult at the Registered Office of the Company, in the centralised storage system www.emarketstorage.com and on the Issuer's website www.immsi.it (section: "Investors/Financial statements and reports/2023") according to legislation.

COMPANY BOARDS

The Board of Directors and the Board of Statutory Auditors of Immsi S.p.A. were appointed by shareholders' resolution of 30 April 2021 and will remain in office until the date the Shareholders' Meeting is convened to approve the financial statements for the year ending 31 December 2023.

BOARD
OF DIRECTORS

Roberto Colaninno *	***Chairman***
Daniele Discepolo	***Deputy Chairman***
Michele Colaninno	***Chief Executive Officer***
Matteo Colaninno **	***Director***
Ruggero Magnoni	***Director***
Gianpiero Succi	***Director***
Patrizia De Pasquale	***Director***
Paola Mignani	***Director***
Alessandra Simonotto	***Director***
Giulia Molteni	***Director***
Rosanna Ricci	***Director***
Piercarlo Rossi	***Director***

BOARD
OF STATUTORY AUDITORS

Antonella Giachetti	***Chairman***
Alessandro Lai	***Statutory Auditor***
Giovanni Barbara	***Statutory Auditor***
Gianmarco Losi	***Alternate Auditor***
Filippo Dami	***Alternate Auditor***

INDEPENDENT
AUDITORS

Deloitte & Touche S.p.A.	***2021 - 2029***

GENERAL MANAGER

Michele Colaninno

* Died on 18 August 2023
** Appointed on 5 September 2023 Chairman of the Board of Directors

In accordance with the principles of Corporate Governance recommended by the Corporate Governance Code (January 2020 version), and pursuant to Legislative Decree 231/01, the Board of Directors has established the following bodies:

RISK AND SUSTAINABILITY COMMITTEE

Daniele Discepolo	***Chairman***
Paola Mignani	
Rosanna Ricci	

RELATED-PARTY COMMITTEE

Rosanna Ricci	***Chairman***
Paola Mignani	
Patrizia De Pasquale	

COMPLIANCE COMMITTEE

Marco Reboa	***Chairman***
Giovanni Barbara	
Maurizio Strozzi	

APPOINTMENT PROPOSAL AND REMUNERATION COMMITTEE

Daniele Discepolo	***Chairman***
Paola Mignani	
Rosanna Ricci	

LEAD INDEPENDENT DIRECTOR

Daniele Discepolo

CHIEF EXECUTIVE OFFICER

Michele Colaninno

INTERNAL AUDIT MANAGER

Maurizio Strozzi

MANAGER IN CHARGE OF PREPARING THE COMPANY ACCOUNTS

Stefano Tenucci

INVESTOR RELATOR

Stefano Tenucci

All information on powers reserved for the Board of Directors, the authority granted to the Chairman and CEO, as well as functions of various Committees of the Board of Directors, is available in the Governance section of the Issuer’s website www.immsi.it.

Half-Yearly Financial Report of the Immsi Group

The Half-Yearly Financial Report for the six months to 30 June 2023 was prepared in accordance with article 154-ter of Legislative Decree 58/1998 as amended, and the Consob Regulation on Issuers.

This Report was prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union, and according to IAS 34 – Interim Financial Reporting, applying the same accounting standards as those adopted when preparing the Consolidated Financial Statements as of 31 December 2022 of the Immsi Group – the “Group” – (to which reference is made for further details), excluding the indications in the Accounting standards and measurement criteria section, if applicable. The information in this Report is not therefore similar to the information of complete financial statements prepared in accordance with IAS 1.

The Group also considered IASB amendments and interpretations applicable as from 1 January 2023 (for more details, reference is made to the Notes to this document), and the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), formerly the Standing Interpretations Committee (“SIC”).

Health emergency – Covid-19

The epidemiological situation related to the spread of Covid-19 has recently improved and in May 2023, the World Health Organization declared the end of the global health emergency.
The Group is closely monitoring developments in the situation and has taken all possible precautions to guarantee employees’ health at its offices and its commitments made with the sales network and with customers.

Russia – Ukraine Crisis

The Immsi Group is following the development of the crisis between Russia and Ukraine very closely. In fact, the conflict is generating 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.
The extreme geographical diversification of the Group’s sales and purchases means that it has essentially no exposure in the conflict area.
In particular, in the industrial sector, the indirect impacts of the conflict during the first half of the year concerned an increase in the cost of energy, which mainly impacted the European plants of the Piaggio group, and an increase in the cost of raw materials that was partially mitigated by agreements with suppliers, as well as inflationary effects and the increase in interest rates.

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

Information on operations

The first half of 2023 for the Immsi Group was characterised by a very positive performance overall, with volumes and financial indicators up on the corresponding period of the previous year.
All indicators were up on the figures for the first half of 2022: turnover increased by 10.2%, EBITDA by 22.8% and net profit, including the portion attributable to non-controlling interests, was €47.1 million in the first half of 2023, compared to €34.4 million in the same period of 2022.
Net financial debt as of 30 June 2023 was equal to €767.2 million, up on the figure for the first half of the previous year (€758.3 million) and at 31 December 2022 (€731.7 million).

Earnings for the period report different trends with reference to the sectors comprising the Group, based on the different business trends of the period in question.
For a clearer interpretation, the following is reported on a preliminary basis:

- The "property and holding sector" consolidated the financial position and performance of Immsi S.p.A., Immsi Audit S.c. a r.l., ISM Investimenti S.p.A., Is Molas S.p.A., RCN Finanziaria S.p.A., Apuliae S.r.l. in liquidation and Pietra S.r.l. in liquidation;
- the "industrial sector" includes the companies owned by the Piaggio group, while
- the "marine sector" includes Intermarine S.p.A..

Some of the main summary data of the Immsi Group, divided by segment of activity, are reported below.

Immsi Group as of 30 June 2023

In thousands of Euros	*Property and holding sector*	*as a %*	*Industrial sector*	*as a %*	*Marine sector*	*as a %*	*Immsi Group*	*as a %*
Net revenues	1,548		1,172,048		13,843		1,187,439	
Operating income before depreciation and amortisation (EBITDA)	-3,916	n/m	191,158	16.3%	-3,831	-27.7%	183,411	15.4%
Operating income (EBIT)	-4,544	n/m	117,580	10.0%	-4,531	-32.7%	108,505	9.1%
Profit before tax	-13,103	n/m	98,163	8.4%	-6,956	-50.2%	78,104	6.6%
Profit (loss) for the period including minority interests	-12,376	n/m	64,788	5.5%	-5,339	-38.6%	47,073	4.0%
Group earnings for the period (which may be consolidated)	-9,326	n/m	32,766	2.8%	-3,871	-28.0%	19,568	1.6%
Net debt	-314,276		-384,428		-68,537		-767,241	
Personnel (number)	81		6,441		214		6,736	

The same table referring to the first half of the previous year is presented below. A comparison between the two periods is made in the specific comment presented below regarding each business sector:

Immsi Group as of 30 June 2022

In thousands of Euros	*Property and holding sector*	*as a %*	*Industrial sector*	*as a %*	*Marine sector*	*as a %*	*Immsi Group*	*as a %*
Net revenues	1,550		1,053,078		22,893		1,077,521	
Operating income before depreciation and amortisation (EBITDA)	-2,821	n/m	152,185	14.5%	46	0.2%	149,410	13.9%
Operating income (EBIT)	-3,395	n/m	85,778	8.1%	-1,147	-5.0%	81,236	7.5%
Profit before tax	-9,702	n/m	72,884	6.9%	-2,313	-10.1%	60,869	5.6%
Profit (loss) for the period including minority interests	-8,978	n/m	45,188	4.3%	-1,813	-7.9%	34,397	3.2%
Group earnings for the period (which may be consolidated)	-6,752	n/m	22,790	2.2%	-1,315	-5.7%	14,723	1.4%
Net debt	-304,600		-397,406		-56,251		-758,257	
Personnel (number)	98		6,762		228		7,088	

It should be noted that the data given in the preceding tables refer to results that can be consolidated, that is, in particular, net of the intergroup revenues and costs and the dividends from subsidiaries.

Alternative non-GAAP performance indicators

To facilitate understanding of the Immsi Group's economic and financial performance, in accordance with ESMA recommendations on alternative performance measures (ESMA/2015/1415), this Report contains some indicators which, although not set out under IFRS ("Non-GAAP Measures"), derive from IFRS financial measures.

These indicators are presented to allow a better assessment of the Group's operating performance and consist of those monitored by *management*, but should not be considered as an alternative to IFRS measures. They are identical to those contained in the Annual Report and Financial Statements as of 31 December 2022 and in the periodical quarterly reports of the Immsi Group.

It should also be noted that the methods for calculating these measures might not be the same as those adopted by other operators, as they are not specifically governed by the reference accounting standards and therefore might not be sufficiently comparable.

In particular, the following alternative performance indicators have been used:

- **EBITDA**: defined as operating income before amortisation/depreciation and impairment costs of intangible assets and plant, property and equipment, as reported in the consolidated income statement;

- **Net debt (or net financial position):** equal to financial liabilities (current and non-current) including trade payables and other non-current payables that include a significant component of implicit (or explicit) finance, minus cash and cash equivalents, and current financial receivables (ESMA Guidance 2021/32-382-1138). On the other hand, as determined by the Immsi Group, net financial debt does not consider derivative financial instruments designated as hedging and non-hedging, fair value adjustments of the related hedged items and related accruals, fair value adjustments of financial liabilities, payables and accruals for interest accrued on bank loans, interest accrued on loans to third party shareholders.
  A detailed table highlighting the items that contribute to the indicator is included in this Report.

The property and holding sector

In thousands of Euros	*30.06.2023*	*as a %*	*30.06.2022*	*as a %*	*Change*	*as a %*
Net revenues	1,548		1,550		-2	-0.1%
Operating income before depreciation and amortisation (EBITDA)	-3,916	n/m	-2,821	n/m	-1,095	-38.8%
Operating income (EBIT)	-4,544	n/m	-3,395	n/m	-1,149	-33.8%
Profit before tax	-13,103	n/m	-9,702	n/m	-3,401	-35.1%
Profit (loss) for the period including minority interests	-12,376	n/m	-8,978	n/m	-3,398	-37.8%
Group earnings for the period (which may be consolidated)	-9,326	n/m	-6,752	n/m	-2,574	-38.1%
Net debt	-314,276		-304,600		-9,676	-3.2%
Personnel (number)	81		98		-17	-17.3%

The “property and holding sector” consolidated the financial position and performance of Immsi S.p.A., Immsi Audit S.c.a r.l., ISM Investimenti S.p.A., Is Molas S.p.A., Apuliae S.r.l. in liquidation, Pietra S.r.l. in liquidation and RCN Finanziaria S.p.A.

Overall, the **property and holding sector** reported a net loss for consolidation purposes in the first half of 2023 of approximately €9.3 million, which was worse than the loss recorded in the same period of the previous year and mainly related to the increase in the cost of debt.
The net debt of the sector was negative for €314.3 million, up both from -€304.6 million as of 30 June 2022 and -€300.9 million as of 31 December 2022, mainly due to the greater use of bank debt also aimed at financing the renovation of the hotel complex of Is Molas S.p.A..

The **Parent Company Immsi S.p.A.** recorded a net profit for the period of approximately €15.9 million, compared to €10.3 million as of 30 June 2022; the increase is mainly due to higher dividends distributed by the subsidiary Piaggio & C. S.p.A. during the first half of 2023 (€17.9 million) compared with the same period of the previous year (€11.7 million), net of the higher cost of bank debt, which increased by approximately €3.2 million compared to the first half of 2022.
Net debt, including intragroup eliminations, amounted to a negative €8.5 million, compared with a net debt of €0.5 million as of 31 December 2022, mainly due to the dividends paid by Immsi S.p.A. in May 2023 (€13.3 million) and, as mentioned, the interest expense incurred in the first half of the year, which had an impact of approximately €7 million, was only partially offset by the Piaggio dividends referred to above.
The shareholders' equity of the Parent Company Immsi S.p.A. as of 30 June 2023 amounted to €360.3 million, up on the year-end figure of €355.5 million. The change was mainly due to the result for the period offset by the aforementioned dividend distribution and the fair value adjustment of the Unicredit shares held in the portfolio, recognised in the relevant equity reserve.

Lastly, it should be noted that in preparing this Interim Report as of 30 June 2023, the Parent Company did not carry out any specific impairment analyses on the carrying amount of investments held in fully consolidated companies as these investments and any changes arising from the related impairment tests would have been fully eliminated on consolidation.

With regard to the property initiatives of the subsidiary **Is Molas S.p.A.**, important extraordinary maintenance works were carried out in the first half of 2023 on the existing tourist and hotel facilities to adapt the services to the standards of the identified customer target. The company continued business activities to identify possible buyers, also international, and it decided to allow the mock-up villas to be rented out again in 2023 (as in previous years) in order to allow end customers – including any investors – to better understand the product and the associated services offered (e.g. wellness and home catering), so as to be able to assess their profitability. The subsidiary is successfully continuing activities to sell the “Le Ginestre” property complex, which consisted of 50 residential units (residences) and several parking spaces, with the aim of rationalising its property portfolio.
Revenues from tourism, hotels and golf activities in the first six months of 2023 (equal to €1.5 million) were in line with the same period of the previous year. In fact, the decrease recorded in the tourism/hotel sector due to the postponed opening of the hotel compared to the previous year, was entirely offset by the higher sales of the property units of the "Le Ginestre" complex compared to the first 6 months of 2022 (as of 30 June 2023, a total of 30 units of the "Le Ginestre" complex had been sold).
In terms of margins, Is Molas S.p.A. recorded an operating loss of approximately €1.7 million and a net loss for consolidation purposes of €2.7 million, the latter result worsening compared to the corresponding period of 2022 mainly due to the increase in financial charges.
The net debt of Is Molas S.p.A. came to €83.8 million, with a cash absorption of approximately €5.5 million, compared to 31 December 2022 (when it was equal to €78.3 million) mainly due to the cash flow absorbed by investments for hotel renovation works at the Club House and the Beach Club.

With reference to the **Pietra Ligure** project, following the preliminary agreement signed last July 2021, the direct parent company Pietra S.r.l, signed the *closing* of the sale agreement with Chorus Life Pietra Ligure S.p.A. (a wholly-owned subsidiary of Polifin S.p.A.), for a total consideration of €30 million for the entire equity investment held in Pietra Ligure S.r.l., into which the Pietra Ligure real estate complex, with the relevant Planning Permission, has been transferred. The contract for the sale of the equity investment was executed in June 2022 and generated an operating gain of about €2.2 million at consolidated level. Following the completion of this sale, the process of putting **Pietra S.r.l.** into liquidation was started and was completed on 27 July 2023, with the Shareholders’ Meeting approval of the related liquidation report.

With reference to the subsidiary **Apuliae S.r.l**., which has been subject to voluntary liquidation proceedings since April 2023, there are no further updates in addition to the information provided in the Immsi Group Directors’ Report and Financial Statements as of 31 December 2022, to which reference should be made. As of 30 June 2023, the company posted a substantial break-even position and net debt that was more or less unchanged compared to 31 December 2022, at a negative value of €1 million.

The other major companies falling within the property and holding sector also include RCN Finanziaria S.p.A. and ISM Investimenti S.p.A.. With reference to main financial data of the company:

- **RCN Finanziaria S.p.A**., in which Immsi S.p.A. holds 72.51% and Intermarine S.p.A. is the sole member, recorded a net loss for consolidation purposes for the Immsi Group of approximately €3.8 million (up on the figure of approximately €1.9 million recorded in the first half of 2022, mainly due to the increase in interest rates) and net financial debt of €129.3 million as of 30 June 2023, largely unchanged compared to 31 December 2022;

- **ISM Investimenti S.p.A**., owned by Immsi S.p.A. with a 72.64% stake and parent of Is Molas S.p.A. with a 92.59% stake, recorded a net loss for consolidation purposes for the Immsi Group of approximately €0.8 million parent companies, down by approximately €1.6 million compared with the first half of the previous year. In this regard, in April 2022, Immsi S.p.A. and Intesa Sanpaolo S.p.A. signed a framework agreement to guarantee a future capital stability for ISM Investimenti S.p.A. that would stop interest accruing on the shareholder loans granted and on the Immsi credit line disbursed, binding ISM Investimenti S.p.A. to pay it in the future if certain liquidity events, specified in the agreement, were to occur at ISM Investimenti S.p.A. that would imply sufficient funds to fully cover all suspended interest. Finally, it should be noted that net financial debt as of 30 June 2023, equal to €92.8 million, was substantially in line with the figure as of 31 December 2022.

Industrial sector: Piaggio group

In thousands of Euros	*30.06.2023*	*as a %*	*30.06.2022*	*as a %*	*Change*	*as a %*
Net revenues	1,172,048		1,053,078		118,970	11.3%
Operating income before depreciation and amortisation (EBITDA)	191,158	16.3%	152,185	14.5%	38,973	25.6%
Operating income (EBIT)	117,580	10.0%	85,778	8.1%	31,802	37.1%
Profit before tax	98,163	8.4%	72,884	6.9%	25,279	34.7%
Profit (loss) for the period including minority interests	64,788	5.5%	45,188	4.3%	19,600	43.4%
Group earnings for the period (which may be consolidated)	32,766	2.8%	22,790	2.2%	9,976	43.8%
Net debt	-384,428		-397,406		12,978	3.3%
Personnel (number)	6,441		6,762		-321	-4.7%

In terms of consolidated turnover, the Piaggio group ended the first half of 2023 with net revenues up 11.3% compared to the same period in 2022.
In terms of geographical areas, the increase affected all markets: EMEA and Americas (+13.7%), India, (+20.0%; +27.5% at constant exchange rates) while Asia Pacific declined slightly (-1.0%; +0.6% at constant exchange rates).
As regards the product type, the growth concerned both two-wheeler vehicles (+9.2%) and commercial vehicles (+21.8%). As a result, the percentage of commercial vehicles accounting for overall turnover went up from 16.8% in the first half of 2022 to the current figure of 18.4%; vice versa, the percentage of two-wheeler vehicles fell from 83.2% in the first six months of 2022 to the current figure of 81.6%.
During the first half of 2023, the Piaggio group sold 324,600 vehicles worldwide, recording an increase of 1.2% compared to the first six months of the previous year, when vehicles sold amounted to 320,600. The growth recorded in Western markets offset the decline of Asian markets.
Regarding product type, sales of Commercial Vehicles went up (+16.6%), while sales of Two-Wheeler Vehicles declined (-1.5%).

Operating income before depreciation, amortisation and impairment costs (EBITDA) of the Piaggio group increased and was equal to €191.2 million as of 30 June 2023 (€152.2 million in the first half of 2022). In relation to turnover, EBITDA was equal to 16.3% (14.5% in the first half of 2022). Operating income (EBIT), which amounted to €117.6 million, also showed a clear improvement compared to the first half of 2022 (€85.8 million); in relation to turnover, EBIT was equal to 10.0% (8.1% in the first half of 2022).

The result of financial activities recorded net charges of €19.4 million (€12.3 million as of 30 June 2022), worsening compared to the first six months of the previous year, mainly due to the increase in interest rates on debt, partially mitigated by the positive impact of currency management.

Net profit stood at €64.8 million (5.5% of turnover), up on the figure for the same period of the previous financial year, when it amounted to €45.2 million (4.3% of turnover).

Net financial debt as of 30 June 2023 of the Piaggio group was equal to €384 million, compared to €368.2 million as of 31 December 2022. The increase of approximately €16.2 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 however decreased by approximately €13.0 million compared to 30 June 2022.

The market

Two-wheeler business

In the first six months of 2023, the Piaggio group sold a total of 267,400 two-wheeler vehicles worldwide, accounting for a net turnover equal to approximately €956.1 million, including spare parts and accessories (€84.2 million, +14.0%).
Overall, volumes decreased by 1.5% while turnover increased by 9.2%.

All markets showed positive trends except India (-31.7% volumes; -28.0% turnover; -23.3% at constant exchange rates) and Asia Pacific (-0.7% volumes; -1.0% turnover; -0.6% at constant exchange rates).

Commercial Vehicles *business*

During the first six months of 2023, the Commercial Vehicles business generated a turnover of approximately €215.9 million, up by 21.8% compared to the same period of the previous year. Growth was mainly concentrated in the India CGU (+34.7%; +43.1% at constant exchange rates).
The Indian affiliate Piaggio Vehicles Private Limited (PVPL) sold 46,659 three-wheelers on the Indian market (31,645 in the first six months of 2022). The growth in three-wheeler vehicles with electric engines was considerable, going up from 2,194 units in the first half of 2022 to 10,504 units in the current half-year. The Indian affiliate also exported 3,809 three-wheeler vehicles (10,412 in the first half of 2022).
EMEA markets, on the other hand, reported contrasting trends. The increases in turnover of the Americas (+9.6%) and Emea (+1.5%) more than offset the decline in Italy (-1.6%). With regard to volumes, however, the negative performance of the Italian market (-16.7%) and remaining EMEA markets (-7.9%) was only partially offset by the growth of the US market (+4.0%).

The Marine sector: Intermarine

In thousands of Euros	30.06.2023	as a %	30.06.2022	as a %	Change	as a %
Net revenues	13,843		22,893		-9,050	-39.5%
Operating income before depreciation and amortisation (EBITDA)	-3,831	-27.7%	46	0.2%	-3,877	-8428.3%
Operating income (EBIT)	-4,531	-32.7%	-1,147	-5.0%	-3,384	-295.0%
Profit before tax	-6,956	-50.2%	-2,313	-10.1%	-4,643	-200.7%
Profit (loss) for the period including minority interests	-5,339	-38.6%	-1,813	-7.9%	-3,526	-194.5%
Group earnings for the period (which may be consolidated)	-3,871	-28.0%	-1,315	-5.7%	-2,557	-194.5%
Net debt	-68,537		-56,251		-12,286	-21.8%
Personnel (number)	214		228		-14	-6.1%

With reference to the economic data of the marine sector, the first half of 2023 saw a decrease of 39.5% in net revenues (composed of turnover and changes in contract work in progress) compared with the same period of the previous year; this figure stood at €13.8 million, compared with €22.9 million in the first half of 2022.
Production progress, including completion of construction and deliveries, included:

- the Defence division, with €6.6 million (18.2 million in the first half of 2022), mainly attributable to progress with job orders for the modernisation of Gaeta Class minesweepers for the Italian Navy, the feasibility studies and experimental tests on new-generation minesweepers and the Temporary Support contract for the special patrol units of the same Navy;.
- the Fast Ferries and Yachts divisions, with a total of €7.2 million (4.7 million during the first half of 2022), mainly relating to activities at the Messina shipyard for the design and construction of passenger units.

This resulted in a negative EBIT in the first half of 2023 of €4.5 million (-€1.1 million in the corresponding period of 2022), and a pre-tax loss of €7 million, up from the €2.3 million recorded in the first half of 2022. The net loss for consolidation purposes for the Immsi Group amounted to €3.9 million as of 30 June 2023, compared to a loss of €1.3 million recorded in the first half of 2022.

The total value of the orders portfolio of the company amounted to €34.3 million as of 30 June 2023, referring to the remaining part of existing contracts still to be developed in terms of revenues.

As for capital, net financial debt, equal to €68.5 million as of 30 June 2023, was up slightly compared to the balance as of 31 December 2022 and 30 June 2022, equal to €62.5 and €56.3 million respectively.

Financial situation and financial performance

As described above, in the first six months of 2023, the Immsi Group's economic ratios showed an improvement on the corresponding period of the previous year.

As of 30 June 2023 the structure of the Immsi Group was that attached to this Half-Yearly Financial Report, to which reference is made. The scope of consolidation changed as follows:

- the consolidated portion of shareholders' equity of the Piaggio group, which amounted to 50.57% as of 30 June 2023, was equal to 50.57% as of 31 December 2022 and 50.43% as of 30 June 2022. The changes are due to the cancellation of 3,521,595 treasury shares and the buyback of 42,000 treasury shares by the subsidiary Piaggio & C. S.p.A.;
- on 14 June 2022, the direct subsidiary Pietra S.r.l. (77.78% owned by Immsi S.p.A. and 22.22% by Intesa Sanpaolo S.p.A.), signed the definitive contract with Chorus Life Pietra Ligure S.p.A. (wholly owned by Polifin S.p.A.) for the sale of the entire equity investment held directly in Pietra Ligure S.r.l.. The resulting liquidation activities of the company Pietra S.r.l. ended on 27 July 2023 with the approval by the Shareholders' Meeting of the related liquidation report.

For further details of changes, see section B of the Notes.

The Group prepares reclassified figures as well as the financial statement schedules required by law. A short description of the main balance sheet and income statement items is provided below the reclassified schedules. Further information on these items may be found in the Notes to the consolidated financial statements. Specific notes referring to the mandatory schedule items are omitted since the main aggregates coincide.

Financial performance of the Group

The below reclassified consolidated income statement of the Immsi Group is classified by the nature of the income components.

In thousands of Euros	*30.06.2023*		*30.06.2022*		*Change*	
Net revenues	**1,187,439**	**100%**	**1,077,521**	**100%**	**109,918**	**10.2%**
Costs for materials	752,242	63.3%	688,035	63.9%	64,207	9.3%
Costs for services, leases and rentals	165,512	13.9%	159,979	14.8%	5,533	3.5%
Employee costs	150,210	12.6%	143,126	13.3%	7,084	4.9%
Other operating income	84,502	7.1%	78,858	7.3%	5,644	7.2%
Net reversals (write-downs) of trade and other receivables	-2,262	-0.2%	-1,976	-0.2%	-250	-12.7%
Other operating costs	18,304	1.5%	13,853	1.3%	4,487	32.4%
OPERATING EARNINGS BEFORE AMORTISATION AND DEPRECIATION (EBITDA)	**183,411**	**15.4%**	**149,410**	**13.9%**	**34,001**	**22.8%**
Depreciation and impairment costs of plant, property and equipment	33,933	2.9%	30,587	2.8%	3,346	10.9%
Impairment of goodwill	0	-	0	-	0	-
Amortisation and impairment costs of intangible assets with a finite useful life	40,973	3.5%	37,587	3.5%	3,386	9.0%
OPERATING INCOME (EBIT)	**108,505**	**9.1%**	**81,236**	**7.5%**	**27,269**	**33.6%**
Income/(loss) from investments	139	0.0%	-80	0.0%	219	-
Financial income	16,097	1.4%	26,981	2.5%	-10,884	-40.3%
Borrowing costs	46,637	3.9%	47,268	4.4%	-631	-1.3%
PROFIT BEFORE TAX	**78,104**	**6.6%**	**60,869**	**5.6%**	**17,235**	**28.3%**
Taxes	31,031	2.6%	26,472	2.5%	4,559	17.2%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**47,073**	**4.0%**	**34,397**	**3.2%**	**12,676**	**36.9%**
Gain (loss) from assets held for sale or disposal	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	**47,073**	**4.0%**	**34,397**	**3.2%**	**12,676**	**36.9%**
Earnings for the period attributable to non-controlling interests	27,505	2.3%	19,674	1.8%	7,831	39.8%
GROUP PROFIT (LOSS) FOR THE PERIOD	**19,568**	**1.6%**	**14,723**	**1.4%**	**4,845**	**32.9%**

The Immsi Group's consolidated net revenues increased by approximately €109.9 million (+10.2%) to around €1,187.4 million, mainly due to the contribution of the industrial sector (approximately €1,172.0 million) and the marine sector (approximately €13.8 million). Net revenues from the property and holding sector, equal to around €1.5 million, were in line with the same period of the previous year.

Operating costs and other consolidated Group net costs in the first half of 2023 totalled €1,004.0 million (equal to 84.6% of net revenues), of which €980.9 million relating to the Piaggio group (83.7% of Piaggio group net revenues).
Costs for materials totalled €752.2 million, equal to 63.3% of net revenues. The cost relating to the industrial sector amounted to €744.4 million, equal to 63.5% of net revenues of the sector.
Employee costs totalled €150.2 million, equal to 12.6% of net revenues. The largest part, €141.9 million (12.1% of net revenues of the sector), is attributable to the Piaggio group. The average paid workforce amounted to 6,693 employees compared to 6,748 in the first half of 2022, mainly attributable to the industrial sector. Average employee numbers were affected by seasonal workers in the summer (on fixed-term employment contracts). The Group effectively hires temporary staff to

cover peaks in demand typical of the summer months.

EBITDA in the first half of 2023 was approximately €183.4 million, equal to 15.4% of net revenues, compared to €149.4 million in the first half of 2022 (13.9% of net revenues for the period), an increase of €34.0 million (+22.8%).
Depreciation and amortisation for the period stood at €74.9 million (of which €73.6 million relative to the industrial sector), representing 6.3% of turnover, in line with the figure for the first half of 2022. Depreciation of property, plant and equipment amounted to €33.9 million (+€3.3 million compared to the figure for the first half of 2022), while amortisation of intangibles, excluding value adjustments on goodwill, totalled €41.0 million (€37.6 million in the first half of 2022).

EBIT amounted to €108.5 million (+€27.3 million compared to the first half of 2022), equal to 9.1% of net revenues, improving on the figure of 7.5% for the same period of 2022.
EBIT did not include any impairment of goodwill in the first six months of 2022, nor in the same period of the previous year. In particular, as described in the Notes to the consolidated financial statements as of 30 June 2023 (paragraph F1 "Intangible assets"), with reference to goodwill for the GCU relating to the Piaggio Group, Immsi Group management analysed the projection of current and forward-looking result flows with reference to the current year and compared them with the budget and plan data approved at the beginning of 2023 by the Board of Directors of Piaggio for the various geographical areas in which it operates. The outcome of this audit did not require the impairment test to be updated, the results of which are therefore still considered valid as of 30 June 2023, also in consideration of the extent of the cover existing at that date.
Also with reference to goodwill relating to the Intermarine CGU, Immsi Group management, verifying that the results achieved by the company are in line for the first half of 2023 with the 2023-2027 forecast figures approved by the subsidiary's Board of Directors on 10 March 2023 and in light of the update of the main parameters contributing to the determination of the WACC which showed an increase in the same compared to 31 December 2022 not exceeding 0.2%, considered that there was no need to proceed with an update of the impairment test conducted for the purposes of the 2022 consolidated financial statements, thus confirming the relative results, also in consideration of the extent of the cover existing at that date.
Considering that the abovementioned analyses conducted by the Immsi Group cash-generating unit were also determined based on estimates, the Group cannot guarantee that there will be no goodwill impairment losses in future periods. Owing to the current climate of uncertainty on core and financial markets, the various factors – both inside and outside the cash-generating units identified – used in preparing the above estimates could be revised in the future. the Group will constantly monitor these factors and the possible existence of future impairment losses.

Net financial expense amounted to a negative €30.4 million, equal to 2.6% of the Group's net revenues (compared to a net expense of €20.4 million in the first half of 2022), and consists of negative balances of €19.4 million relating to the industrial sector (compared to -€12.9 million in the first half of 2022), €2.4 million relating to the marine sector (compared to €1.2 million in the first half of 2022) and €8.6 million relating to the property and holding sector (up on €6.3 million in the first half of 2022). The net balance of financial management worsened compared to the first six months of the previous year, mainly as a result of higher interest rates on debt, partially mitigated by the positive impact of currency management.

Profit before tax stood at €78.1 million as of 30 June 2023, or 6.6% of net revenues, compared to €60.9 million (5.6% of net revenues) as of 30 June 2022, with the industrial sector contributing a profit of €98.2 million, the marine sector a loss of €7.0 million and the property and holding sector a loss of €13.1 million.

Taxes for the period totalled approximately €31.0 million, compared to 26.5 million as of 30 June 2022.

Net profit for the period, after taxation and net of non-controlling interests, totalled €19.6 million (1.6% of net revenues), an improvement on the figure of €14.7 million as of 30 June 2022.

Reclassified statement of financial position of the Group

In thousands of Euros	*30.06.2023*	*as a %*	*31.12.2022*	*as a %*	*30.06.2022*	*as a %*
Current assets:						
Cash and cash equivalents	267,484	11.0%	263,577	11.1%	251,174	10.4%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating activities	734,770	30.2%	653,509	27.6%	720,385	29.9%
Total current assets	**1,002,254**	**41.2%**	**917,086**	**38.7%**	**971,559**	**40.3%**
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	900,847	37.0%	897,337	37.9%	891,599	37.0%
Property, plant and equipment	365,115	15.0%	369,668	15.6%	368,935	15.3%
Other assets	166,809	6.9%	186,229	7.9%	176,382	7.3%
Total non-current assets	**1,432,771**	**58.8%**	**1,453,234**	**61.3%**	**1,436,916**	**59.7%**
TOTAL ASSETS	**2,435,025**	**100.0%**	**2,370,320**	**100.0%**	**2,408,475**	**100.0%**
Current liabilities:						
Financial liabilities	458,543	18.8%	400,096	16.9%	420,175	17.4%
Operating liabilities	909,884	37.4%	895,063	37.8%	919,441	38.2%
Total current liabilities	**1,368,427**	**56.2%**	**1,295,159**	**54.6%**	**1,339,616**	**55.6%**
Non-current liabilities:						
Financial liabilities	576,182	23.7%	595,176	25.1%	589,256	24.5%
Other non-current liabilities	71,921	3.0%	71,129	3.0%	70,718	2.9%
Total non-current liabilities	**648,103**	**26.6%**	**666,305**	**28.1%**	**659,974**	**27.4%**
TOTAL LIABILITIES	**2,016,530**	**82.8%**	**1,961,464**	**82.8%**	**1,999,590**	**83.0%**
TOTAL SHAREHOLDERS' EQUITY	**418,495**	**17.2%**	**408,856**	**17.2%**	**408,885**	**17.0%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,435,025**	**100.0%**	**2,370,320**	**100.0%**	**2,408,475**	**100.0%**

Current assets as of 30 June 2023 amounted to €1,002.3 million, up €85.2 million compared to 31 December 2022, and up €30.7 million compared to 30 June 2022. The increase compared to the end of 2022 is attributable to the growth in trade and other receivables (+€76.2 million), mainly referring to the Piaggio group, due to the seasonality of the business, and to cash and cash equivalents (+€3.9 million).

Non-current assets as of 30 June 2023 stood at €1,432.8 million against 1,453.2 million as of 31 December 2022, a decrease equal to €20.5 million.

In particular, among non-current assets, intangible assets amounted to €900.8 million, up by €3.5 million compared to 31 December 2022, mainly due to the capitalisation in the industrial sector of development costs and know-how for new products and new engines. Plant, property and equipment amounted to €365.1 million (decrease of €4.6 million compared to the end of 2022) and other assets amounted to €166.8 million (compared to €186.2 million at the end of 2022), mainly impacted by the reduction in the deferred taxes of Piaggio.

Current liabilities as of 30 June 2023 amounted to €1,368.4 million, an increase compared to 31 December 2022 of €73.3 million, compared to the increase mainly in operating liabilities (+€14.8 million), and financial liabilities from €400.1 million to €458.5 million.
Non-current liabilities as of 30 June 2023 stood at €648.1 million, down by approximately €18.2 million from €666.3 million as of 31 December 2022. Consolidated shareholders' equity attributable to the Group and non-controlling interests totalled €418.5 million as of 30 June 2023, of which €177.3 million was attributable to non-controlling interests.

An analysis of **capital employed** and its financial cover is presented below:

In thousands of Euros	*30.06.2023*	*as a %*	*31.12.2022*	*as a %*	*30.06.2022*	*as a %*
Current operating assets	734,770	58.4%	653,509	53.9%	720,385	58.2%
Current operating liabilities	-909,884	-72.3%	-895,063	-73.9%	-919,441	-74.3%
Net operating working capital	**-175,114**	**-13.9%**	**-241,554**	**-19.9%**	**-199,056**	**-16.1%**
Intangible assets	900,847	71.6%	897,337	74.1%	891,599	72.0%
Property, plant and equipment	365,115	29.0%	369,668	30.5%	368,935	29.8%
Other assets	166,809	13.3%	186,229	15.4%	176,382	14.2%
Capital employed	**1,257,657**	**100.0%**	**1,211,680**	**100.0%**	**1,237,860**	**100.0%**
Non-current non-financial liabilities	71,921	5.7%	71,129	5.9%	70,718	5.7%
Capital and reserves of non-controlling interests	177,349	14.1%	168,591	13.9%	173,320	14.0%
Consolidated Group shareholders' equity	241,146	19.2%	240,265	19.8%	235,565	19.0%
Total non-financial sources	**490,416**	**39.0%**	**479,985**	**39.6%**	**479,603**	**38.7%**
Net Financial debt	**767,241**	**61.0%**	**731,695**	**60.4%**	**758,257**	**61.3%**

The following table shows the change in the **net financial position** for the period:

In thousands of Euros	*30.06.2023*	*31.12.2022*	*30.06.2022*
Cash generated internally	161,244	233,896	129,810
Change in net working capital	-92,299	-6,815	-46,316
Net cash flow generated from operations	**68,945**	**227,081**	**83,494**
Payment of dividends by the Parent Company	-13,281	-10,216	-10,216
Payment of dividends to non-controlling interests by Group companies	-17,528	-26,504	-11,547
Acquisition of intangible assets	-45,091	-88,904	-39,269
Purchase of property, plant and equipment	-25,834	-65,567	-28,397
Net decrease from property disposals	296	16,004	16,382
Acquisition of non-controlling investments, net of disposal	0	-8	-8
Other net movements	-3,053	-19,348	-4,463
Change in net financial position	**-35,546**	**32,538**	**5,976**
Initial net financial position	**-731,695**	**-764,233**	**-764,233**
Closing net financial position	**-767,241**	**-731,695**	**-758,257**

Net financial debt went up from €731.7 million as of 31 December 2022 to 767.2 million as of 30 June 2023, mainly due to cash generated internally (+€161.2 million), more than offset by the working capital dynamics (-€92.3 million), net investments in property, plant and equipment and intangible assets for the period, (-€70.6 million), mainly referring to the Piaggio group and dividends paid to non-controlling interests (-€30.8 million).

Net debt – analysed below and compared with the same figures as of 31 December 2022, is presented in accordance with the ESMA guidelines 32-382-1138 of 4 March 2021, adjusted as of 30 June 2023, as follows: financial assets and liabilities arising from the assessment at fair value, designated hedging and non-hedging derivative financial instruments, the fair value adjustment of the related hedged items, equal to €0.6 million; payables and accrued interest accrued on bank borrowings for a total of €5.0 million; interest accrued on loans to minority shareholders totalling €6.3 million.

In thousands of Euros	***30.06.2023***	***31.12.2022***	***30.06.2022***
A Cash and cash equivalents	-267,484	-263,577	-251,174
B Cash equivalents	0	0	0
C. Other financial assets	0	0	0
D Total liquidity (A + B + C)	**-267,484**	**-263,577**	**-251,174**
E Current financial payables (including debt instruments, but not including current portion of non-current financial debt)			
- Bonds	0	0	0
- Payables due to banks	268,239	224,127	230,285
- Lease liabilities	8,781	11,611	8,923
- Amounts due to other lenders	66,091	59,077	57,541
F Current portion of non-current financial debt	115,432	105,281	123,426
G Total current financial debt (E + F)	**458,543**	**400,096**	**420,175**
H Net current financial debt (G + D)	**191,059**	**136,519**	**169,001**
I Non-current financial debt (excluding current portion and debt instruments			
- Payables due to banks	309,752	330,344	321,243
- Lease liabilities	19,778	18,920	22,911
- Amounts due to other lenders	141	176	211
J Debt instruments	246,511	245,736	244,891
K Trade payables and other non-current payables	0	0	0
L Non-current financial debt (I + J + K)	**576,182**	**595,176**	**589,256**
M Net financial debt (H + L)	**767,241**	**731,695**	**758,257**

With reference to the breakdown of debt, compared to 31 December 2022, short-term financial debt went up from a balance of €136.5 million to a balance of €191.1 million (i.e. +€54.5 million), with a decrease in medium-to-long term financial debt from €595.2 million to €576.2 million (-€19 million). Further details are provided in the section "G2 – Financial Liabilities" of the Notes to the condensed interim financial statements.

Research, development and innovation activities

The Immsi Group carries out research, development and innovation activities through the Piaggio group which, in the first half of 2023, continued its commitment to maintaining technological leadership in the sector, and through subsidiary Intermarine S.p.A., whose research and development activities mainly concern new projects for vessels and prototypes, production technologies, plant innovations and innovative materials.
For an in-depth analysis of the projects supported by the Group and the resources allocated to them, readers are referred to the section on Products and Services in the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 of the Immsi Group as of 31 December 2022 and the section on the Product Dimension of the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 of the Piaggio group as of 31 December 2022.

Risk factors

Due to the nature of its business, the Group is exposed to different types of risks. For this reason, the Group has developed procedures at both the Parent Company level and in its main subsidiaries to manage risks in the most exposed areas. These risks are identified at a strategic, external, operational and financial level, and also take into consideration sustainability issues, in particular so-called "ESG" (Environmental, Social and Governance related) risks, i.e. those related to environmental factors, personnel, social aspects and human rights and the fight against active and passive corruption. Details are provided in the 2022 Consolidated Non-Financial Statement.

Strategic risks

Reputational and Corporate Social Responsibility risk – 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 disclosure of detrimental information or due to sustainability requirements in the Non-financial Statement published by Immsi S.p.A. and Piaggio & C. S.p.A., not being met, as regards economic, environmental, social and product-related aspects.

Risks related to defining strategies – In defining its strategic objectives, the Group could make errors of judgment with a consequent impact on its image and financial performance.

Risks related to adopting 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.

External risks

Risks associated with the macroeconomic and geopolitical context – The Group, and the Piaggio group in particular, is exposed to risks deriving from the characteristics and evolutionary dynamics of the economic cycle and the national and international political context. To mitigate any negative effects arising from the macroeconomic and geopolitical context, it continued its strategic vision, diversifying operations at international level - in particular in Asia where growth rates of economies are still high, and consolidating the competitive positioning of its products.

The conflict between Russia and Ukraine has had major worldwide consequences for the economic effects on global markets, especially in terms of increased transport costs, raw material prices and energy prices. The geographical diversification of the Group’s sales and purchases means that it has essentially no exposure in the conflict area. The indirect impacts of the conflict mainly concerned the increase in the cost of energy, especially for European plants, and the increase in the cost of raw materials, mitigated for the Piaggio group in part by the agreements entered into with suppliers. It is also reported that the extreme geographical diversification of the Group’s sales and purchases means that it has essentially no exposure in the conflict area.
The Group is also constantly monitoring the restrictive measures that are gradually being decided in response to the crisis between Russia and Ukraine so as to comply fully with them.

Risks related to consumer purchasing habits – The success of the Group’s products depends on its ability to manufacture products that cater for consumer’s tastes and – with particular reference to the Piaggio group – can meet their needs for mobility.
With reference to the subsidiary Intermarine, however, the success of the company in the different lines of business in which it operates depends on the ability to offer innovative and high quality products that guarantee the performance demanded by customers, in terms of lower fuel consumption, higher performance, greater passenger transport capacity, greater cruising comfort, handling and safety of the vessels used, among other things, in the defence and control of territories. If the products of the Immsi Group companies were not appreciated by customers, revenues or, further to more aggressive sales policies in terms of discount drives, margins would be lower, and this would have a negative impact on the related economic and financial situation. To tackle this risk, the Group has always invested in research, development and innovation activities to enable it to optimally meet customer needs and anticipate market trends by introducing innovative products.
Levering customer expectations and emerging needs, with reference to its product range and customer experience is essential for the Piaggipo group to maintain a competitive edge. Through market analysis, focus groups, concept and product testing, investments in research, development and innovation and sharing its roadmap with suppliers and partners, Piaggio aims to capitalise on 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 associated with the high degree of market competition – In addition, 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.
In the industrial sector, the Piaggio group has tried to tackle this risk, which could have a negative impact on the financial position and performance of the Group, by manufacturing high quality products that are innovative, reliable and safe, and by consolidating its presence in the geographic segments where it operates.
With reference to the marine sector, and the mine sweeping platforms segment, Intermarine has a considerable technological edge over the competition, while the Fast Ferries division is affected in particular by a context in which the owners prefer carrying out repairs on operating vessels rather than investing in new constructions. It has become apparent in the recent period that activities and prospects in the Fast Ferries market are reviving, in the light of the recent requests for tenders received from private shipowners and invitations to tender. The risk could derive from the uncertainties of fitting out the new prototypes and the lack of funds and programmes to renew the fleet on the part of Italian and international shipowners. In this respect, shipowners will now be able to verify and use the availability of financial resources under the NRP.

Risk related 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, in particular to Piaggio products. Strict regulations on atmospheric emissions, waste disposal, the drainage and disposal of water and other pollutants also apply to the group's production sites, as do reporting obligations on sustainability.

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 Piaggio group has always invested in research and development into innovative products, anticipating any restrictions on current regulations. Moreover, the Piaggio group is not only a member of Confindustria (Confederation of Italian Industry), but also adheres to the most important national and international associations in the automotive sector, such as ACEM, ANFIA and ANCMA, which represent and protect the economic, technical and regulatory interests of the automotive sector in institutional and political forums, with authorities, entities and associations with national and international competence in industrial policy and individual and collective mobility of people and goods.

Finally, the Piaggio 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.

Intermarine is also a member of important trade associations such as Confindustria La Spezia and Messina as well as the AIAD Federation representing Italian Aerospace, Defence and Security Companies.

Risks associated with natural events - As part of the assessment of risks related to climate change, the Piaggio group has not currently identified as relevant risks related to the inability to achieve strategic objectives due to changes in the external context (also taking into account possible impacts on the supply chain) and possible inadequate management of atmospheric emissions.

The process of identifying these risks, as well as the assessments of their relevance and significance, were conducted both on the basis of the internal context as well as on the basis of the dynamics of the reference market, and current regulations.

In this context, it should be noted, however, that as of today the Piaggio group has not yet set specific quantitative targets in terms of reducing greenhouse gas emissions, both direct and indirect. At a strategic level, the Piaggio group intends in any event to pursue the integration of sustainable development principles into its vision and business model in an increasingly precise and consistent way.

In this context it should be noted that the Piaggio group operates through industrial plants located in Italy, India, Vietnam and Indonesia. These sites could be affected by natural events, such as earthquakes, typhoons, flooding and other catastrophes that may damage sites and also slow down/interrupt production and sales.

In this respect, in 2022 the Piaggio group, with the support of a leading consulting firm, carried out a climate risk analysis for the plants in Pontedera (Italy) and Baramati (India). This analysis did not highlight any critical issues related to climatic factors for either production site.

Potential impacts related to the physical risks associated with climate change are managed by the Piaggio group through the continuous renovation of facilities as well as through the stipulation of specific insurance coverage divided among the various sites according to their relative importance.

The outcome of the above-mentioned assessments of the significance of climate change risks was also duly taken into account in the process of defining the assumptions adopted for the preparation of the Business Plan.

Risks related to the pandemic - If a pandemic spreads and measures are adopted by various governments to contain the virus, the Group's businesses could be negatively affected in terms of decreasing revenues, margins and cash flows.
In particular, the Piaggio group would have an impact on the supply chain, production activities and product distribution. 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 on different continents and a sales network present in over 100 nations.
As far as the marine sector is concerned, a continuing Covid-19 health emergency would lead to the interruption or at least the slowdown of commercial programmes with potential customers. The Company believes that all the measures put in place to safeguard and protect the health of workers do not contain elements that could jeopardise the Company's business continuity.
Is Molas, impacted by the spread of the Covid-19 pandemic in terms of hotel opening, a general reduction in the flow of customers during opening periods and in the development of commercial contacts aimed at identifying potential customers of the real estate project, is also scrupulously following all the guidelines and requirements issued by the various authorities to protect its guests and employees.
The Group carefully monitors the development of the health situation and implements all precautions to ensure the health and safety of employees within its plants and to be able to fulfil all its commitments.

Risk related to the adoption of new technologies – The risk related to the adoption of new technologies is associated above all with the Piaggio group, which is exposed to risk arising from the difficulty of keeping abreast with new technologies, both in terms of products and the production process. 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 related to the sales network – The Piaggio group's business is closely related to the sales network's ability to guarantee end customers a high quality sales and after-sales service, to build a relationship of trust and lasting. The Piaggio group 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.

Operating risks

Product-related risks – The Group has to deal with risks related to product defects due to non-conforming quality and safety levels.
The risk for the Piaggio group refers to consequent recall campaigns, that would expose the Piaggio 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, the Piaggio group 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 Piaggio group has also defined plans to manage recall events and has taken out insurance to protect the group against events attributable to product defects.
To deal with product risk, the subsidiary Intermarine instead normally adopts a type of contract that also includes assistance and logistics packages which are formalised in agreements regulating acquired contracts.

Risks related to 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, as regards the Piaggio group, are managed through specific insurance cover assigned to sites based on their relative importance.

Risks related to the supply chain In carrying out its operations, the Group sources raw materials, semi-finished products and components from a number of suppliers.
As regards the Piaggio group, operations are conditioned by the ability of its suppliers to guarantee the quality standards and specifications requested for products, as well as their delivery times. To mitigate these risks, the Piaggio group qualifies and periodically evaluates its suppliers based on professional/technical/financial criteria in line with international standards.
With reference to the marine sector, Intermarine acquires raw materials, contracts and services from a large number of external suppliers, that have specific competencies, in particular in ship fitting. The close cooperation between producers and suppliers is common in the fields where the company operates and, while it may lead to economic benefits in terms of lower costs and greater flexibility, it also means that companies must rely on these suppliers. Supplier difficulties could have a negative impact, causing interruptions in and/or delays to production activities, with the risk of not meeting deadlines.

Risks related to the environment and 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, the Piaggio group adopts a 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, the Piaggio group seeks to minimise the environmental impact of its industrial activities through careful definition of the technological transformation cycle and use of the best technologies and most modern methods of production.
The subsidiary Intermarine S.p.A. also adopts systems aimed at the most efficient management and monitoring of environmental and health and safety-related risks associated with its production activities. In particular, the shipyards at Sarzana and Messina have Environmental certification (Iso 14001), issued by RINA. Although not yet certified, all sites have also adopted the same Integrated Management System which also covers health and safety (ISO 45001).

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 are set out in the Codes of Ethics of Group companies.
For the Piaggio group, these commitments set out in the Code of Ethics and stated by top management in the group's “environmental policy” which is the basis for environmental certification (ISO 14001) and health and safety certification (ISO 45001 and BSOHSAS 18001) already awarded and maintained at production sites, is a mandatory benchmark for all company sites no matter where they are working.

<u>Risks related to processes and procedures adopted</u> – 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. For the Piaggio group, all documents related 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.

<u>Risks related to delays in the completion of orders</u> – With particular reference to the subsidiary Intermarine S.p.A. operating in the marine industry, any delay in the completion of contracts in progress may lead to customers requesting penalties for late delivery where contractually agreed, with the risk of reducing the overall profitability of orders and reducing financial assets.
On the other hand, the company could pass on the effect of the impact on delivery times, for delays in deliveries and in completing services and for failing to pass tests, with the need to perform the tests again, to its subcontractors.

<u>Risks related to human resources</u> – 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 or practices for recruitment, career development, training, remuneration and talent management, which are adopted in all countries where it operates according to the same principles of merit, fairness and transparency, and focusing on aspects that are relevant for the local culture.
The employees of Group companies are protected by laws and collective labour contracts that guarantee them – through local and national representation – the right to be consulted on specific matters, including programmes related to the use of staff in accordance with ongoing job orders.
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.

<u>Legal risks</u> – The 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 Piaggio group in particular 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 section of the Report on Operations.

Risks related 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 Models pursuant to Legislative Decree No. 231/2001 and Codes of Ethics which set out the principles and values the entire organisation takes inspiration from.

Risks related to financial disclosure – The Group is exposed to the risk of possible inadequacies in its procedures that are intended to ensure compliance with main Italian and foreign regulations applicable to financial disclosure, running the risk of receiving 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.
It should be noted that the control activity provided for by Law 262/2005, in addition to referring to the Parent Company, is also extended to the Group's most important subsidiaries. The Group also has an internal audit function, while the financial statements are audited by the Independent Auditors.

ICT system risks - 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 these risks, Piaggio group has adopted a centralised system of controls to improve the Group's IT security.

Other risks – In the specific case of the Parent Company Immsi S.p.A., in consideration of its nature as a holding company and the different phase of development and advancement of investments made both directly and through subsidiaries, its financial performance and profitability are strictly related to the financial performances of subsidiaries.

Financial risks

Risks related to insufficient cash flows and access to the credit market – At the end of the reporting period, the main sources of Group financing were:

- debenture loans for a nominal amount of approximately €250 million issued by Piaggio & C. S.p.A.;
- bank loans for a nominal amount of approximately €694.7 million. The type, rates and maturities of these loans are discussed in the Notes.

In addition, the Group has outstanding amounts due for leases, amounts due to subsidiaries not fully consolidated and amounts due to other lenders for an overall amount of approx. €94.8 million.

The Group is exposed to the risk arising from the production of cash flows that are not sufficient to guarantee Group payments due, with effects on adequate profitability and growth such as to guarantee the pursuit of 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. The debt indicated above could also negatively affect Group operations in the future, limiting its capacity to obtain further financing or to obtain it at more favourable conditions. In particular, over the next 12 months, together with the short-term instalments of medium- and long-term loans, several short-term credit lines will expire, the renewal of which is crucial to be able to continue operating. A detailed examination of these lines is provided in the Notes.

To face this risk, the Group’s cash flows and credit line needs are monitored constantly by management or, in the case of the Piaggio group, managed centrally under the control of the Piaggio group’s Treasury Department, in order to guarantee an effective and efficient management of financial resources, as well as optimise the debt’s maturity standpoint. The group also has undrawn credit lines, sufficient to enable it to manage with any unforeseen cash requirements. In addition, Piaggio & C., parent company of the Piaggio group, finances the temporary cash requirements of its subsidiaries through the direct provision of short-term loans regulated at market conditions or through guarantees.
To deal with this risk, Intermarine also monitors and strictly manages the company's cash flow and credit line needs with the aim of ensuring an effective and efficient management of financial resources as well as optimising the debt’s maturity standpoint.
The Parent Company Immsi S.p.A. supports, where necessary, its subsidiaries in the “Property and Holding” and “Marine” sectors through credit lines in order to guarantee support for the implementation of their development plans.
Also with reference to the net financial indebtedness of the above-mentioned Sectors, reference should be made to the section of the Notes to the Financial Statements entitled "Accounting standards and measurement criteria".

Exchange rate risks – The Group, primarily through Piaggio group companies, 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. With reference to the Piaggio group, the 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 first half of 2023, the exchange risk was managed in line with the policy, which aims to neutralise the possible negative effects of exchange rate changes on company cash-flow, by hedging the business risk which concerns changes in company profitability compared to the annual business budget on the basis of a key change (the so-called “budget change”) and of the transaction risk, which concerns the differences between the exchange rate recorded in the financial statements for receivables or payables in foreign currency and that recorded in the related receipt or payment.

Interest rate risks – 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, where necessary, by specific fixed-rate loan agreements. For a more detailed description, please refer to the Notes to the Condensed Consolidated Interim Financial Statements.

Credit risk – The Group is exposed to the risk of late payments of receivables. 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 Group evaluates the financial reliability of its business partners. The Group, in particular the companies Piaggio & C. S.p.A. and Intermarine S.p.A., also stipulates contracts with important Italian and foreign factoring companies for the sale of trade receivables without recourse.

Risks related to 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.

Human resources

As of 30 June 2023, the Immsi Group employed 6,736 staff, of which 81 in the property and holding sector, 6,441 in the industrial sector (Piaggio group) and 214 in the marine sector (Intermarine S.p.A.). The following tables divide resources by category and geographic segment:

Human resources by category

numbers	30.06.2023			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Senior management	4	113	7	124
Middle managers and white-collar workers	31	2,340	130	2,501
Blue-collar workers	46	3,988	77	4,111
TOTAL	**81**	**6,441**	**214**	**6,736**

numbers	31.12.2022			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Senior management	4	116	7	127
Middle managers and white-collar workers	24	2,284	132	2,440
Blue-collar workers	21	3,438	83	3,542
TOTAL	**49**	**5,838**	**222**	**6,109**

numbers	Changes			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Senior management	0	-3	0	-3
Middle managers and white-collar workers	7	56	-2	61
Blue-collar workers	25	550	-6	569
TOTAL	**32**	**603**	**-8**	**627**

Human resources by geographic segment

numbers	30.06.2023			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Italy	81	3,554	214	3,849
Rest of Europe	0	160	0	160
Rest of the world	0	2,727	0	2,727
TOTAL	**81**	**6,441**	**214**	**6,736**

numbers	31.12.2022			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Italy	49	2,989	222	3,260
Rest of Europe	0	159	0	159
Rest of the world	0	2,690	0	2,690
TOTAL	**49**	**5,838**	**222**	**6,109**

numbers	Changes			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Italy	32	565	-8	589
Rest of Europe	0	1	0	1
Rest of the world	0	37	0	37
TOTAL	**32**	**603**	**-8**	**627**

Employee numbers were also affected by seasonal workers in the summer (on fixed-term employment contracts). The Group effectively hires temporary staff to cover peaks in demand typical of the summer months.

For further information on Group employees (such as remuneration and training policies, diversity and equal opportunities, safety, etc.), reference is made to the section on the Social Dimension in the Consolidated Non-Financial Statement at 31 December 2022 prepared pursuant to Legislative Decree 254/2016.

Stock options

As of 30 June 2023, Immsi S.p.A. had no existing stock option plan.

With reference also to the subsidiary Piaggio & C. S.p.A., as of 30 June 2023 there were no incentive plans based on the allocation of financial instruments.

Own shares

As of 30 June 2023, Immsi S.p.A. held no treasury shares. The share capital of Immsi S.p.A. is unchanged at €178,464,000.00, represented by 340,530,000 ordinary shares with no nominal value.

Furthermore, the Ordinary Shareholders’ Meeting of Immsi S.p.A. of 28 April 2023 approved a plan for the purchase and disposal of ordinary shares of the Company, revoking the previous authorisation of the Ordinary Shareholders’ Meeting of Immsi S.p.A. of 29 April 2022.
On 12 May 2023, following the aforementioned approval at the Shareholders’ Meeting, the Board of Directors of Immsi S.p.A. resolved to start a treasury share purchase programme; this is a useful strategic investment opportunity for all purposes allowed under applicable laws, including those envisaged in Article 5 of Regulation (EU) 596/2014 (Market Abuse Regulation, “MAR”) and in the practices permitted by Consob pursuant to Article 13 of the MAR, where applicable. Among these is the purpose of purchasing treasury shares with a view to their subsequent cancellation.
The purchase of shares connected with the adoption of the programme will be based on the procedures and limits established by the above-mentioned resolution of the shareholders’ meeting and specifically:

- the purchase may concern a maximum of 10,000,000 Immsi ordinary shares, with no nominal value indicated, for a maximum value of €10 million and, therefore, within the limits established by law (20% of the share capital, pursuant to Art. 2357, paragraph 3, of the Italian Civil Code);
- the purchase of treasury shares must be within the limits of profit that may be distributed and available reserves as resulting from the last, also interim, financial statements approved at the time the operation takes place;
- purchases of treasury shares will be made on the regulated market in such a way as to ensure equal treatment of shareholders pursuant to Article 132 of Legislative Decree 58/1998, with a gradual approach deemed appropriate to the interests of the Company and as permitted by current legislation, according to the procedures established in Article 144-bis, paragraph 1, letter b) of Consob Regulation 11971/1999, as subsequently amended. Purchases should also take into account the conditions relating to negotiation referenced in Article 3 of the Commission Delegated Regulation (EU) 1052/2016 (“Regulation 1052”) in compliance with the MAR, as well as the practices accepted by Consob pursuant to Article 13 MAR, where applicable (i) to a consideration that is no higher than the price of the last independent transaction or the price of the highest independent offer currently available in the trading venues where the purchase is made (whichever is higher). The unit price cannot in any case be less than a minimum of 20%

and a maximum of 10% higher than the arithmetic mean of the official Immsi share price in the ten trading days prior to each individual purchase; (ii) for volumes of more than 25% the average daily volume of Immsi S.p.A. shares traded on a regulated market on which the purchase is carried out, calculated according to the parameters as of Art. 3 of Regulation 1052;

- the purchase programme may also take place in several tranches, ending by 27 October 2024.

With reference to the subsidiary Piaggio & C. S.p.A., as of 30 June 2023, the subsidiary held 42,000 treasury shares, equal to 0.0118% of shares issued.

Management and coordination

The parent company, Immsi S.p.A., gives reasons why management and coordination activities were not performed by its parent company Omniaholding S.p.A (also via the subsidiary Omniainvest S.p.A) in section 2, letter j), of the Report on Corporate Governance and Ownership as of 31 December 2022. Please refer to this for further information.

Related Party Transactions

Revenues, costs, payables and receivables as of 30 June 2023 involving parent, subsidiary and associate companies, refer to the sale of goods or services which are a part of normal operations of the Group.
Transactions are carried out at normal market values, depending on the characteristics of the goods and services provided.
Information on related-party transactions, including the information required by Consob communication no. DEM/6064293 of 28 July 2006, is presented in the notes to the Condensed consolidated interim financial statements as of 30 June 2023.

Disputes in progress

For information on disputes taking place at a Group level, reference is made to the Directors' Report on Operations of the Immsi Group as of 31 December 2022, in the section entitled "Disputes in progress", with the exception of more important aspects, which are reported below.

With reference to the property sector (Is Molas S.p.A.):

- In the lawsuit brought by Is Molas claiming compensation for damages suffered due to the breach by Italiana Costruzioni of the obligations deriving from signed contracts, it should be noted that on 10.05.2023 the hearing was held to examine the expert witness report, after extensive discussion and without all the parties agreeing on the acceptance of the settlement proposal formulated in the report, the Judge ended the hearing, stating that a judgement would be made after careful analysis of the documents.
  On 16.05.2023, a copy of the Judge's order was sent, which, considering the request of the lawyers to renew the Expert Witness appointment as inadmissible, requested the parties to reach a settlement. This proposal was not successful, so the dispute is still ongoing.

- With regard to the Order of 21 May 2014 in which the Administrative Appeals Court rejected the request for suspension of the measure of the Municipality of Pula, which declared that there were insufficient elements to determine the forfeiture of the authorisations. The Administrative Appeals Court, in its ruling of 9 June 2016, declared the action brought by Italiana Costruzioni inadmissible and ordered the appellant to pay the costs of the proceedings in favour of the opposing parties. On 12 January 2017, Italiana Costruzioni was notified of its appeal to annul the Administrative Appeals Court ruling. On 14 February 2017 Is Molas filed the documents with the Council of State to oppose the appeal. The hearing for the discussion of the appeal was held on 26.01.2023; while on 02.05.2023 the judgment rejecting the appeal of Italiana Costruzioni and the order to pay the court costs was filed.

As regards the **industrial sector** (Piaggio group):

- On 28.11.2022, the Court of Appeal of Florence partially upheld the grounds of the main appeal (i.e. of Piaggio) and incidental appeal (i.e. of Da Lio) and, as a result: (i) reduced the order for Piaggio, to pay the lesser amount of approximately €3 million in respect of "default interest and penalties on invoices paid late" compared with the previous amount of approximately €4.3 million (without prejudice to other items of the order); (ii) declared that the sum owed by Piaggio for unpaid invoices amounts to approximately €0.36 million and (iii) declared that (only) interest is to be calculated on the sums owed by Piaggio as a penalty for invoices paid late legal with effect from the judicial request rather than from the ruling. Piaggio appealed against the judgment before the Court of Cassation on 14 March 2023, which was followed by Da Lio's cross-appeal.

- The company TAIZHOU ZHONGNENG appealed to the Court of Cassation, to which Piaggio filed a counter-appeal on 05.09.2019. The Court of Cassation then set a hearing for 22.11.2022, after which it ordered a new hearing, in public session, for 17.10.2023.

- In its ruling of 18.01.2023, the Court of Appeal of Milan confirmed, in the appeal proceedings brought by Piaggio against the companies PEUGEOT MOTOCYCLES ITALIA S.p.A., MOTORKIT S.a.s. di Turcato Bruno e C., GI. PI. MOTOR di Bastianello Attilio and GMR MOTOR S.r.l. the first instance ruling. In particular, it (i) ruled out the existence of infringement of the three patents, deeming the objections of invalidity of EP'794, EP'016 and IT'114 raised by Peugeot to be disregarded, and (ii) rejected Piaggio's claims of infringement of the Community design and unfair competition, considering that the Court of First Instance was correct in its ruling on this point. As at 30.06.2023, no party had appealed to the Court of Cassation.

- On 16.01.2023 the Court of Appeal of Milan ruled on the proceedings brought by PEUGEOT MOTOCYCLES S.a.s., Appeal rec. 3052/2021 (i.e.: the judgment of appeal on the joined cases of infringement and nullity) and: (i) upheld the first instance ruling with reference to the finding of validity of EP'612 and the existence of the literal infringement of claims 1, 2 and 5 of the patent by Metropolis (ii) upheld the measures of the injunction and withdrawal from the market ordered by the Court of First Instance but, unlike the first instance ruling, limited the order of withdrawal from the market only to Peugeot Motocycles Italia S. r.l. in liquidation (iii) also rejected Peugeot's sixth ground of appeal (iv) ordered the general order against Peugeot Motocycles Italia S.r.l. in liquidation (v) ordered, by separate order, the continuation of the case for the determination of the indemnifiable damage. The expert witness report is ongoing. In the meantime, Peugeot appealed before the Court of Cassation against the non-final ruling, which was followed by Piaggio's counter-appeal.

- Piaggio also started legal action against PEUGEOT MOTOCYCLES S.a.S. before the *Tribunal de Grande Instance* in Paris. In a ruling of 07.09.2021, the Court of Paris ruled in favour of Piaggio ordering Peugeot Motocycles to pay compensation for damages amounting to €1.5 million, in addition to further fines 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). Piaggio appealed for the provisional enforceability of the first instance ruling with a hearing held on 08.02.2022. The Court rejected the application to grant Piaggio provisional enforceability with a decision on 8.03.2022. At the same time, Peugeot appealed against the ruling in the first instance and Piaggio appeared in the appeal proceedings. On 01.06.2022, Piaggio filed the first defence brief in which it insisted on rejecting the appeal presented by Peugeot. Peugeot has requested that a new expert witness report be arranged; the request was rejected on 10 January 2023. A final hearing was set for 29.05.2024, with a deadline of 14.11.2023 for filing final papers.

- On 28 September 2022, Piaggio Fast Forward (PFF) was sued by Hood Park, LLC ("Hood") before the Business Litigation Session of the Superior Court of Massachusetts, located in Suffolk County, in civil action No.: 2284CV02233 BLS2. Piaggio Group Americas Inc. ("PGA") is also defendant as guarantor.
  Hood owns a commercial property that PFF had planned to lease as its main operational headquarters. At Hood's request, PFF forwarded - via its broker - a copy of a page of the signed contract, but pointing out that PFF's acceptance of the entire contract would be subject to prior agreement on the termination clause now mentioned. Nevertheless, Hood asserted that this was now to be considered as signed and, therefore, binding. Hood then sued PFF (as well as PGA as guarantor) demanding payment of the full amount of the lease payments, amounting to USD 24,831,856.49 plus any multiplication, interest and all costs, including legal fees.
  On 22 December 2022, the defendants PFF and PGA filed a motion to dismiss. The hearing, originally set for 10.01.2023, was then postponed to 20.03.2023 and then again to 01.05.2023. On 02.05.2023, the Court granted the defendants' motion to dismiss and, dismissed all claims of Hood Park, which failed to appeal this decision within the statutory time limit (30 days). Therefore, the litigation may be considered as concluded.

- On 7 December 2022, the French company SCOOTER CENTER S.à.r.l. notified Piaggio and Piaggio France of a writ of summons before the Tribunal de Commerce of Paris asking the two companies of the Piaggio group to be ordered to pay compensation for alleged damages caused by the (equally alleged) sudden termination of the sales concession agreement in place between Piaggio and the dealer Scooter Center without due notice. These damages were quantified in the court application at €4.15 million (plus legal costs). In the first hearing of 16.02.2023, the Judge set the dates for the proceedings, requesting the parties to consider a settlement and granted a deadline until 12.04.2023 for Piaggio to file its briefs. This deadline was then postponed to 24.05.2023. Piaggio therefore entered a plea and confirmed it wished to attempt settlement; similarly, Scooter centre has also stated that it wishes to proceed in the same way. Therefore, the judge granted the parties until 13.09.2023to conclude the settlement procedure. The conciliator has been appointed to set the date for the first meeting.

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 Piaggio, it should be noted that the dispute concerning the notices of assessment for regional production tax and corporate income tax notified to Piaggio on 22.12.2017, 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; while the company appeared in court on 02.12.2020. In a ruling of 13.02.2023, filed on 01.03.2023, the Provincial Tax Commission rejected the appeal filed by the Revenue Agency and confirmed the first instance ruling, which was favourable to the company. The deadlines for a possible appeal to the Court of Cassation by the Tax Agency are still pending.

- With reference to PT Piaggio Indonesia, the Company has certain disputes outstanding relating to the 2015, 2017, 2018, 2019 and 2022 tax periods.
  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 was held on 22 October 2021. It should be noted that the dispute concerns not only the year 2015, but also the month of December 2014. The Tax Court ruled in favour of the Indonesian company in a judgment issued on 20 December 2022. The Indonesian tax authorities have not challenged this decision.
  With respect to the 2017 period, the company filed an appeal with the Tax Court on 08.09.2020 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 2022.
  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.
  As regards the 2018 tax period, the dispute, relating to transfer pricing, concerns a higher tax of about €0.2 million. On 17.09.2021, the company appealed against filed action against the notice of assessment before the Tax Court and is waiting for the decision.
  In relation to the 2019 tax year, the Indonesian tax authorities reiterate the same transfer pricing challenges made in 2018, as well as the tax claim made in previous years in relation to Withholding taxes. The total amount currently under dispute amounts to approximately €0.9 million. The company filed an appeal against the assessment notice on 15.09.2022 before the Tax Court and is waiting for the decision.
  In relation to the 2022 tax year, the dispute concerns the non-recognition of the duty exemption originally granted on certain imports of vehicles originating in Vietnam. The total amount currently under dispute amounts to approximately €0.5 million. Against this dispute, the company appealed to the Tax Court, which ruled in June 2023 against the company.

As regards the **marine sector** (Intermarine S.p.A), it is noted that:

- With reference to the arbitration initiated by the banks of Taiwan, the procedure was concluded with an award in favour of Intermarine. In particular, the Court of Arbitration, in the ruling of the partial award, rejected the claims of the Banks in their entirety; while on 07.06.2023 the Chamber of Arbitration issued the final award which ordered the full reimbursement of the legal costs of the proceedings in favour of Intermarine for a total of €1.9 million. On 29.06.2023, the Banks reimbursed this sum in favour of the company.

- For the disputes in which the company has been summoned to appear in court, with claims for compensation for alleged moral, biological and relational/existential damages due to the illness of former employees, for a total of €1.1 million, the preliminary investigation phases are underway and hearings have been held with the examination of witnesses for each party and in one case an expert witness report has been produced. Given the preliminary stages of the proceedings and the necessary defence actions by the lawyers assisting the company, it is not possible at present to predict the outcome of these proceedings.

Events occurring after 30 June 2023 and operating outlook

Despite the fact that forecasts remain complex due to the critical issues surrounding geopolitical tensions, the Immsi Group will continue to work to meet commitments and pursue margin and productivity targets, thanks to careful and efficient management of its economic and financial structure.

With reference to the **tourism sector**, the subsidiary Is Molas S.p.A., in particular, will continue activities aimed at marketing and renting the complex built, and at increasing the resort's customers in its new design proposal for accommodation, golf and the Is Molas Beach Club.

With regard to the operating outlook for the **industrial sector**, in this complex macroeconomic context, Piaggio has confirmed it is continuing to pursue margin and productivity targets in the management of production, logistics and procurement costs and in the management of all international markets in line with the first half of the year, thanks to a portfolio of iconic brands. Productivity improvements will offset the temporary slowdown in Asia, where growth rates of 23% have been consolidated over the past five years.
The markets in India, Europe and the United States remain positive despite the increase in interest rates over the past 12 months.
In view of this, the investments planned for new products in the two-wheeler and commercial vehicle sectors and the consolidation of Piaggio’s commitment to ESG issues are confirmed.

With reference to **Intermarine**, production progress will be made in the next few months on job orders acquired, and commercial activities in all the company’s *business* sectors will continue, seeking favourable business opportunities; management *will continue* to take all actions to keep costs down, and will carry out all activities necessary to obtain further job orders enabling it to increase its orders portfolio and consequently optimise and increase, where necessary, production capacity over the next few years.

Mantova, 5 September 2023

for the Board of Directors
Chief Executive Officer

Michele Colaninno

Immsi Group

Condensed Interim Financial Statements

as of

30 June 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023

in thousands of Euros

ASSETS		30 June 2023	31 December 2022
NON-CURRENT ASSETS			
Intangible assets	F1	900,847	897,337
Property, plant and equipment	F2	365,115	369,668
Investment Property		0	0
Investments	F3	9,343	9,948
Other financial assets	F4	16	16
Tax receivables	F5	6,692	8,831
Deferred tax assets	F6	130,539	145,597
Trade receivables and other receivables	F7	20,219	21,837
TOTAL NON-CURRENT ASSETS		1,432,771	1,453,234
ASSETS HELD FOR DISPOSAL	F8	0	0
CURRENT ASSETS			
Trade receivables and other receivables	F7	188,616	112,400
- of which with Related Parties		*1,010*	*1,003*
Tax receivables	F5	52,088	46,246
Inventories	F9	488,120	491,093
Other financial assets	F4	5,946	3,770
Cash and cash equivalents	F10	267,484	263,577
TOTAL CURRENT ASSETS		1,002,254	917,086
TOTAL ASSETS		2,435,025	2,370,320

LIABILITIES		30 June 2023	31 December 2022
SHAREHOLDERS' EQUITY			
Consolidated Group shareholders' equity		241,146	240,265
Capital and reserves of non-controlling interests		177,349	168,591
TOTAL SHAREHOLDERS' EQUITY	G1	418,495	408,856
NON-CURRENT LIABILITIES			
Financial liabilities	G2	576,192	595,176
- of which with Related Parties		*926*	*852*
Trade payables and other payables	G3	15,730	15,603
Provisions for severance liabilities and similar obligations	G4	27,150	28,123
Other long-term provisions	G5	20,201	18,603
Deferred tax liabilities	G6	8,830	8,800
TOTAL NON-CURRENT LIABILITIES		648,103	666,305
LIABILITIES ON DISCONTINUED OPERATIONS	F9	0	0
CURRENT LIABILITIES			
Financial liabilities	G2	463,890	405,443
- of which with Related Parties		*402*	*374*
Trade payables	G3	768,905	775,722
- of which with Related Parties		*12,252*	*10,125*
Current taxes	G7	28,930	22,491
Other payables	G3	85,473	73,645
- of which with Related Parties		*0*	*123*
Current portion of other long-term provisions	G5	21,229	17,858
TOTAL CURRENT LIABILITIES		1,368,427	1,295,159
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,435,025	2,370,320

CONSOLIDATED INCOME STATEMENT AS OF 30 JUNE 2023

in thousands of Euros

		30.06.2023	30.06.2022
Net revenues	H1	1,187,439	1,077,521
- of which with Related Parties		*5*	*0*
Costs for materials	H2	752,242	688,035
- of which with Related Parties		*15,506*	*26,120*
Costs for services, leases and rentals	H3	165,512	159,979
- of which with Related Parties		*395*	*344*
Employee costs	H4	150,210	143,126
Depreciation and impairment costs of plant, property and equipment	H5	33,933	30,587
Impairment of goodwill		0	0
Amortisation and impairment costs of intangible assets with a finite useful life	H6	40,973	37,587
Other operating income	H7	84,502	78,858
- of which with Related Parties		*160*	*232*
Net reversals (impairment) of trade and other receivables	H8	(2,262)	(1,976)
Other operating costs	H9	18,304	13,853
- of which with Related Parties		*2*	*0*
OPERATING INCOME (EBIT)		108,505	81,236
Income/(loss) from investments	H10	139	(80)
Financial income	H11	16,097	26,981
Borrowing costs	H12	46,637	47,268
- of which with Related Parties		*23*	*22*
PROFIT BEFORE TAX		78,104	60,869
Taxes	H13	31,031	26,472
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		47,073	34,397
Gain (loss) from assets held for sale or disposal	H14	0	0
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS		47,073	34,397
Earnings for the period attributable to non-controlling interests		27,505	19,674
GROUP PROFIT (LOSS) FOR THE PERIOD	H15	19,568	14,723

EARNINGS PER SHARE

In Euros

From continuing and discontinued operations:	*30.06.2023*	*30.06.2022*
Basic	0.057	0.043
Diluted	0.057	0.043

From continuing operations:	*30.06.2023*	*30.06.2022*
Basic	0.057	0.043
Diluted	0.057	0.043

Average number of shares:	340,530,000	340,530,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS OF 30 JUNE 2023

in thousands of Euros

	30.06.2023	30.06.2022
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	47,073	34,397
Items that will not be reclassified in the income statement		
Profit (loss) arising from the fair value measurement of assets and liabilities recognised in the statement of comprehensive income (“FVTOCI”)	2,235	(1,252)
Actuarial gains (losses) on defined benefit plans	33	3,549
Total	2,268	2,297
Items that may be reclassified in the income statement		
Effective portion of profit (losses) from instruments to hedge cash flows	(5,905)	(1,317)
Profit (loss) deriving from the translation of financial statements of foreign companies denominated in foreign currency	(2,086)	(416)
Share of subsidiaries/associates valued with the equity method	(744)	408
Total	(8,735)	(1,325)
Other Consolidated Comprehensive Income (Expense)	(6,467)	972
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	40,606	35,369
Comprehensive income of minority interests	23,237	20,573
COMPREHENSIVE GROUP PROFIT (LOSS) FOR THE PERIOD	17,369	14,796

The values presented in the table are all stated net of the corresponding fiscal effect.

STATEMENT OF CONSOLIDATED CASH FLOWS AS OF 30 JUNE 2023

in thousands of Euros

		30.06.2023	30.06.2022
Operating activities			
Profit before tax		78,104	60,869
Depreciation of property, plant and equipment (including investment property)	*H5*	33,842	30,587
Amortisation of intangible assets	*H6*	40,973	37,167
Provisions for risks and for severance indemnity and similar obligations	*H4 - H9*	16,876	11,971
Write-downs (reversals of fair value measurements)	*H7 – H8 – H9*	2,300	1,706
Losses / (Gains) on the disposal of property, plant and equipment (including investment property)	*H7 - H9*	(2,187)	(164)
Financial income	*H11*	(1,654)	(825)
Borrowing costs	*H12*	31,582	19,465
Amortisation of grants	*H7*	(3,080)	(3,144)
Portion of earnings before taxes of affiliated companies (and other companies valued using the equity method)	*H10*	(139)	80
Change in working capital:			
(Increase) / Decrease in trade receivables and other receivables	*F7*	(76,407)	(66,799)
(Increase)/Decrease in inventories	*F9*	2,973	(98,725)
Increase / (Decrease) in trade and other payables	*G3*	2,447	148,839
(Increase) / Decrease in contract work in progress	*F7*	(82)	2,469
Increase/(Decrease) in provisions for risks	*G5*	(6,704)	(9,427)
Increase / (Decrease) in provisions for severance liabilities and similar obligations	*G4*	(6,324)	(6,463)
Other changes		(5,500)	(20,407)
Cash generated from operating activities		107,020	107,199
Interest paid		(26,411)	(16,568)
Taxes paid		(13,389)	(12,586)
Cash flow from operations		67,220	78,045
Investing activities			
Acquisition of subsidiaries, net of cash and cash equivalents	*F4*	(158)	(3,552)
Investment in property, plant and equipment (including investment property)	*F2*	(25,834)	(28,397)
Sale price, or repayment value, of plant, property and equipment (including investment property)	*F2*	2,483	697
Investment in intangible assets	*F1*	(45,091)	(39,269)
Sale price, or repayment value, of intangible assets	*F1*	43	24
Purchase of non-consolidated investments	*F4*	0	(8)
Collected interests		1,640	564
Sale price from assets held for sale or disposal (*)		0	15,535
Public grants collected		466	579
Cash flow from investing activities		(66,451)	(53,827)
Financing activities			
Loans received	*G2*	121,386	60,499
Outflow for repayment of loans	*G2*	(80,080)	(101,842)
Reimbursement of rights of use	*G2*	(5,111)	(5,602)
Outflow for dividends paid to Parent company Shareholders	*G1 - N*	(13,281)	(10,216)
Outflow for dividends paid to non-controlling interests		(17,528)	(11,547)
Cash flow from financing activities		5,386	(68,708)
Increase / (Decrease) in cash and cash equivalents		6,155	(44,490)
Opening balance		263,513	290,361
Exchange differences		(2,184)	5,303
Closing balance		267,484	251,174

*) The amount as of 30 June 2022 corresponds to the receipt by Pietra S.r.l. of the final balance of €20 million from Chorus Life Pietra Ligure S.p.A. for the sale of the shareholding in Pietra Ligure S.r.l. net of the liquidation advance paid by Pietra S.r.l. to the minority shareholder Intesa Sanpaolo S.p.A. of approximately €4.5 million.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS OF 30 JUNE 2023

in thousands of Euros

	Share capital	*Reserves and retained earnings (losses)*	*Earnings for the period*	*Shareholders' equity attributable to the Group*	*Capital and reserves of non-controlling interests*	*Shareholders' equity attributable to the Group and non-controlling interests*
Balances as of 31 December 2021	***178,464***	***41,217***	***12,267***	***231,947***	***158,920***	***390,867***
Allocation of Group earnings to the Legal Reserve				0		0
Allocation of Group earnings to Dividends			(10,216)	(10,216)	(11,547)	(21,763)
Allocation of Group earnings to Retained Earnings/Losses		2,051	(2,051)	0		0
Purchase of treasury shares by Piaggio & C. S.p.A.		(1,791)		(1,791)	(1,761)	(3,552)
Other changes		828		828	7,136	7,964
Overall earnings for the period		73	14,723	14,796	20,573	35,369
Balances as of 30 June 2022	***178,464***	***42,377***	***14,723***	***235,564***	***173,321***	***408,885***

	Share capital	*Reserves and retained earnings (losses)*	*Earnings for the period*	*Shareholders' equity attributable to the Group*	*Capital and reserves of non-controlling interests*	*Shareholders' equity attributable to the Group and non-controlling interests*
Balances as of 31 December 2022	***178,464***	***34,713***	***27,087***	***240,265***	***168,591***	***408,856***
Allocation of Group earnings to the Legal Reserve		1,022	(1,022)	0		0
Allocation of Group earnings to Dividends		0	(13,281)	(13,281)	(17,528)	(30,809)
Allocation of Group earnings to Retained Earnings/Losses		12,784	(12,784)	0		0
Purchase of treasury shares by Piaggio & C. S.p.A.		(80)		(80)	(78)	(158)
Other changes		(3,127)		(3,127)	3,127	0
Overall earnings for the period		(2,199)	19,568	17,369	23,237	40,606
Balances as of 30 June 2023	***178,464***	***43,113***	***19,568***	***241,146***	***177,349***	***418,495***

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2023

- A) - GENERAL ASPECTS

Immsi S.p.A. (the “Company” or the “Parent Company”) is a limited company established under Italian law and has registered offices in Mantua - P.zza Vilfredo Pareto, 3 Centro Direzionale Boma. The main activities of the Company and its subsidiaries (the “Immsi Group” or the “Group”), and information on significant events after 30 June 2023 and operating outlook are described in the Half-Yearly Financial Report. As of 30 June 2023, Immsi S.p.A. was directly and indirectly controlled, pursuant to article 93 of the TUF, by Omniaholding S.p.A., a company wholly owned by the Colaninno family, through the subsidiary Omniainvest S.p.A.

The condensed interim financial statements of the Immsi Group include the financial statements of the Parent Company Immsi S.p.A. and the Italian and international companies directly and indirectly controlled by it, approved where required by the relevant corporate functions of the respective companies, suitably reclassified and adjusted where necessary to adapt them to the Group’s accounting principles.
The financial statements are expressed in Euro since that is the currency in which most of the Group’s transactions take place.
The amounts in the above schedules and in the Notes on the consolidated financial statements are stated in thousands of Euros (if not otherwise indicated).

It should be noted that the Group’s business presents significant seasonal variations in sales over the course of the year, especially in the industrial sector and, to a limited extent, in the tourist-hotel sector.

These condensed consolidated interim financial statements are subject to limited review by the independent auditors Deloitte & Touche S.p.A. pursuant to the mandate granted by the Shareholders’ Meeting on 14 May 2020 for the period 2021-2029.

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

These Condensed Interim Financial Statements have been drafted in compliance with the International Accounting Standards (IAS/IFRS) in force at that date, issued by the International Accounting Standards Board and endorsed by the European Commission, in particular IAS 34 “Interim Financial Reporting”, as well as in compliance with the provisions established in Article 9 of Legislative Decree no. 38/2005 (CONSOB Resolution no. 15519 dated 27 July 2006 containing the “Provisions for the presentation of financial statements”, CONSOB Resolution no. 15520 dated 27 July 2006 containing the “Changes and additions to the Regulation on Issuers adopted by Resolution no. 11971/99”, CONSOB communication no. 6064293 of 28 July 2006 containing the “Corporate reporting required in accordance with Article 114, paragraph 5 of Legislative Decree 58/98”).

The financial statements have been prepared on a going concern basis with reference to a future period of 12 months from 30 June 2023. In relation to the forecasts drawn up concerning the financial requirements, deriving mainly from investment activities and the management of net working capital, taking into account the credit lines maturing during the year and the financial commitments that the Company has undertaken to meet in order to support the development of its initiatives, the Directors have taken, and will take in the coming months, actions aimed at finding solutions that will guarantee financial balance, including the renewal of short-term credit lines, also taking into consideration the risk of a possible scenario of uncertainty on the stock markets, constantly monitored by Company Management, with possible consequences on the size of credit lines currently granted to the Company, largely guaranteed by Piaggio shares held by the latter. In this regard, it should be noted that the current share price of the Piaggio stock makes it possible to confirm the guarantees in place for all related loans. Furthermore, as of 30 June 2023, approximately 18.1 million Piaggio shares remain free of guarantee and can therefore potentially be used to obtain new credit lines.

The preparation of the interim financial statements requires the company Management to make estimates and assumptions that affect, among other things, the reported amounts of revenues, expenses, assets and liabilities recorded and disclosure of contingent assets and liabilities at the date of the end of the period. If in the future such estimates and assumptions, made by *management* based on the best information available at the date of the consolidated interim financial statements, were to deviate from the actual circumstances, the original estimates and assumptions would be modified as appropriate in the period in which the circumstances occurred.
For a more detailed description of the most significant measurement methods of the Group, reference is made to the section "*Accounting standards and measurement criteria – Use of estimates*" in the Consolidated Financial Statements of the Immsi Group as of 31 December 2022.

In addition, some evaluative processes, particularly the more complex ones such as the determination of any losses in value of fixed assets ("impairment"), are generally carried out completely only at the time of drawing up the annual financial statements, when all the potentially necessary information is available, saving the cases in which there are indicators that require immediate evaluation of possible losses of value.
In this regard, it should be noted that when preparing this Half-Yearly Financial Report as of 30 June 2023, the Group's management carried out consolidated-level sensitivity analyses and specific calculations on the impairment tests concerning the carrying value of the goodwill recognised. These showed that there was no need to update the impairment test prepared and approved as of 31 December 2022 for any of the CGUs under assessment.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group has chosen to highlight all changes generated by transactions with non-shareholders within two statements reporting trends of the period, respectively named the "Consolidated Income Statement" and "Consolidated Statement of Comprehensive Income". These Condensed Interim Financial Statements are therefore composed of the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and these Notes to the consolidated financial statements.

With reference to Consob Resolution no. 15519 of 27 July 2006 it is pointed out that, as regards the financial schedules, specific Income statement and Statement of financial position schedules have been inserted with the evidence of significant Related Party transactions.

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 2023.

Moreover, there were no significant atypical transactions during the first half of 2023 and of the corresponding period of the previous year, as defined in Consob Communication no. DEM/6037577 of 28 April 2006 and no. DEM/6064293 of 28 July 2006.

Consolidated income statement
The Consolidated income statement is presented with the items classified by nature. The overall Operating Income is shown, which includes all income and cost items, irrespective of their repetition or fact of falling outside normal operations, except for the items of financial operations included under Operating Income and Profit before tax. In addition, the income and cost items arising from assets that are held for disposal or sale, including any capital gains or losses net of the tax element, are recorded in a specific item of the consolidated statement of financial position which precedes profit

(loss) for the period including minority interests.

Consolidated Statement of Comprehensive Income
The Consolidated Statement of Comprehensive Income is presented as provided for in IAS 1 revised. It requires income attributable to owners of the parent and to non-controlling interests to be recognised net of the corresponding tax effect. In this respect, it should be noted that on 16 June 2011, the IASB issued an amendment to IAS 1 – *Presentation of financial statements* to require entities to group all items presented in Other comprehensive income based on whether they are potentially reclassifiable to profit or loss.

Consolidated statement of financial position
The Consolidated statement of financial position is presented in opposite sections with separate indication of assets, liabilities, and shareholders' equity. In turn, assets and liabilities are reported in the Consolidated Financial Statements on the basis of their classification as current and non-current. In addition, assets held for sale and liabilities associated with assets held for sale are recognised in a separate item.

Consolidated Statement of Cash Flows
The Consolidated Statement of Cash Flows is divided into cash-flow generating areas. The Consolidated Statement of Cash Flows model adopted by the Immsi Group has been prepared using the indirect method. The cash and cash equivalents recorded in the Statement of Cash Flows include the Consolidated Statement of Financial Position balances for this item at the reporting date. Financial flows in foreign currency have been converted at the average exchange rate for the period. Income and costs related to interest, dividends received and income taxes are included in the cash flow generated from operations.

Statement of changes in consolidated shareholders' equity
The Statement of Changes in consolidated Shareholders' equity is presented as required by IAS 1 revised. It includes the total statement of comprehensive income while separately reporting the amounts attributable to owners of the Parent company as well as the quota pertaining to non-controlling interests, the amounts of operations with shareholders acting in this capacity and potential effects of retrospective application or of the retroactive calculation pursuant to IAS 8. For each item, a reconciliation between the balance at the start and end of the period is presented.

Other information

The following exchange rates were used to translate the financial statements of companies included in the scope of consolidation into Euros:

	Exchange rate as of 30 June 2023	Average exchange rate 1st half of 2023	Exchange rate as of 31 December 2022	Average exchange rate 1st half of 2022
US Dollar	1.0866	1.08066	1.0666	1.09339
Pound Sterling	0.85828	0.876377	0.88693	0.842397
Indian Rupee	89.2065	88.84427	88.1710	83.31790
Singapore Dollars	1.4732	1.44403	1.43	1.49208
Chinese Yuan	7.8983	7.48943	7.3582	7.08226
Croatian Kuna *	N.A.	N.A.	7.5345	7.54145
Japanese Yen	157.16	145.76039	140.66	134.30709
Vietnamese Dong	25,618.00	25,425.00	25,183.00	25,059.33071
Indonesian Rupiah	16,384.54	16,275.09142	16,519.82	15,798.55102
Brazilian Real	5.2788	5.48269	5.6386	5.55648

* Croatia joined the Euro area on 1 January 2023

- B - SCOPE OF CONSOLIDATION

As of 30 June 2023, the Immsi Group structure was that attached at the end of these Notes. The scope of consolidation as of 30 June 2023 had not significantly changed compared to the Consolidated Financial Statements as of 31 December 2022 and 30 June 2022:

- the consolidated portion of shareholders' equity of the Piaggio group, which amounted to 50.57% as of 30 June 2023, was equal to 50.43% as of 30 June 2022, and 50.57% as of 31 December 2022. The changes are due to the cancellation of 3,521,595 treasury shares and the buyback of 42,000 treasury shares by the subsidiary Piaggio & C. S.p.A.;
- on 14 June 2022, the direct subsidiary Pietra S.r.l. (77.78% owned by Immsi S.p.A. and 22.22% by Intesa Sanpaolo S.p.A.), signed the definitive contract with Chorus Life Pietra Ligure S.p.A. (wholly owned by Polifin S.p.A.) for the sale of the entire equity investment held directly in Pietra Ligure S.r.l..

These changes are limited and did not affect the comparability of the balance sheet and income statement between the two reporting periods.

- C - CONSOLIDATION PRINCIPLES

In preparing these Condensed Interim Financial Statements of the Immsi Group, drawn up, as mentioned, in compliance with IAS 34 – Interim Financial Reporting, the accounting standards used to prepare the Consolidated Financial Statements as of 31 December 2022, to which reference is made for more details, were adopted, save for information in the next section on Accounting standards and measurement criteria.

- D - ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA

New accounting standards, amendments and interpretations adopted from 1 January 2023

- On 18 May 2017, the IASB published IFRS 17 - Insurance Contracts, which is intended to replace IFRS 4 - Insurance Contracts. The standard applies from 1 January 2023 but early application is permitted, only for entities that apply IFRS 9 - *Financial Instruments* and IFRS 15 - *Revenue from Contracts with Customers.*

- On 9 December 2021, the IASB published an amendment called "*Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information*". The amendment is a transition option relating to comparative information about financial assets presented 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 apply from 1 January 2023, together with the application of IFRS 17.
- On 12 February 2021, the IASB published two amendments entitled "*Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2"* and *"Definition of Accounting Estimates—Amendments to IAS 8".* The amendments are intended to improve the disclosure on accounting policy so as to provide more useful information to investors and other primary users of financial statements as well as to help companies distinguish changes in accounting estimates from changes in accounting policy. The amendments shall apply from 1 January 2023.
- On 7 May 2021, the IASB published an amendment called "*Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*". The document clarifies how deferred taxes should be accounted for on certain transactions that may generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments shall apply from 1 January 2023.

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

<u>Accounting standards, amendments and interpretations not yet applicable</u>

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:

- On 23 January 2020, the IASB published an amendment called *"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*" and on 31 October 2022 published an amendment called "*Amendments to IAS 1 Presentation of Financial Statements*: *Non-Current Liabilities with Covenants*". These documents aim to clarify how to classify debts and other short or long term liabilities. The amendments enter into force on 1 January 2024; although earlier application is permitted.
- On 22 September 2022, the IASB published an amendment called "*Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback".* The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use. The amendments will apply from 1 January 2024, but early application is permitted.
- On 23 May 2023, the IASB published an amendment called "Amendments to IAS 12 Income Taxes: International Tax Reform - Pillar Two Model Rules'. The document introduces a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules and provides for specific disclosure requirements for entities affected by the relevant International Tax Reform. The document provides for the immediate application of the temporary exception, while the disclosure requirements will only be applicable to annual financial statements commencing on or after 1 January 2023, but not to interim financial statements with a closing date prior to 31 December 2023.

- On 25 May 2023, the IASB published an amendment entitled 'Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: *Disclosures:* Supplier Finance Arrangements". The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The amendments will apply from 1 January 2024, but early application is permitted.

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.

- E - SEGMENT REPORTING

The information for operating segments presented below reflects the internal reporting system used by management for making strategic decisions, as provided for by IFRS 8, in line with the management and control model used. Information is provided, where available, on the three identified segments: property and holding, industrial and marine.

Information by business areas

Income statement

In thousands of Euros	*Property and holding sector*	*Industrial sector*	*Marine sector*	*Immsi Group*
Net sales to third parties	1,548	1,172,048	13,843	1,187,439
NET REVENUES	**1,548**	**1,172,048**	**13,843**	**1,187,439**
OPERATING INCOME (EBIT)	**-4,544**	**117,580**	**-4,531**	**108,505**
Income/(loss) from investments	0	139	0	139
Financial income				16,097
Borrowing costs				46,637
PROFIT BEFORE TAX				**78,104**
Taxes				31,031
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS				**47,073**
Gain (loss) from assets held for sale or disposal				0
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS				**47,073**
Earnings for the period attributable to non-controlling interests				27,505
GROUP PROFIT (LOSS) FOR THE PERIOD				**19,568**

Statement of Financial Position

In thousands of Euros	*Property and holding sector*	*Industrial sector*	*Marine sector*	*Immsi Group*
TOTAL ASSETS	**289,154**	**2,011,914**	**133,957**	**2,435,025**
TOTAL LIABILITIES	**313,324**	**1,573,537**	**129,669**	**2,016,530**

Other information

In thousands of Euros	*Property and holding sector*	*Industrial sector*	*Marine sector*	*Immsi Group*
Investments in property, plant and equipment and intangible assets	**4,351**	**65,843**	**731**	**70,925**
Depreciation, amortisation and write-downs	**629**	**75,786**	**700**	**77,115**
Cash flow from operating activities	**-13,288**	**85,630**	**-5,122**	**67,220**
Cash flow from investing activities	**-4,351**	**-61,386**	**-714**	**-66,451**
Cash flow from financing activities	**14,796**	**-14,884**	**5,474**	**5,386**

Information by geographic segments

The following table presents the Group income statement and balance sheet figures or the first half of 2023 in relation to the geographic segments "of origin", that is, with reference to the country of the company which received the revenues or which owns the assets.

It should be noted that the breakdown of revenues by geographic "destination" segment, i.e. with reference to the customer's nationality, is analysed under net revenues in the income statement.

Income statement

In thousands of Euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Net sales to third parties	676,608	28,238	168,118	83,255	231,220	1,187,439
NET REVENUES	**676,608**	**28,238**	**168,118**	**83,255**	**231,220**	**1,187,439**

Statement of Financial Position

In thousands of Euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
TOTAL ASSETS	**1,855,091**	**34,353**	**205,972**	**60,700**	**278,909**	**2,435,025**

In thousands of Euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Total receivables *	**116,263**	**21,230**	**40,175**	**11,930**	**15,436**	**205,034**
Total payables **	**583,731**	**22,662**	**136,535**	**4,483**	**122,697**	**870,108**

* Contract works in progress and tax receivables are not included.
** Financial liabilities and current tax payables are not included.

Other information

In thousands of Euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Investments in property, plant and equipment and intangible assets	**55,401**	**34**	**12,524**	**63**	**5,287**	**73,309**
Depreciation, amortisation and write-downs	**58,131**	**836**	**10,164**	**2,305**	**5,679**	**77,115**

For comparability, the corresponding tables referring to 30 June 2022 are shown below:

Information by business areas

Income statement

In thousands of Euros	*Property and holding sector*	*Industrial sector*	*Marine sector*	*Immsi Group*
Net sales to third parties	1,550	1,053,078	22,893	1,077,521
NET REVENUES	**1,550**	**1,053,078**	**22,893**	**1,077,521**
OPERATING INCOME (EBIT)	**-3,395**	**85,778**	**-1,147**	**81,236**
Income/(loss) from investments	0	-80	0	-80
Financial income				26,981
Borrowing costs				47,268
PROFIT BEFORE TAX				**60,869**
Taxes				26,472
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS				**34,397**
Gain (loss) from assets held for sale or disposal				0
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS				**34,397**
Earnings for the period attributable to non-controlling interests				19,674
GROUP PROFIT (LOSS) FOR THE PERIOD				**14,723**

Statement of Financial Position

In thousands of Euros	*Property and holding sector*	*Industrial sector*	*Marine sector*	*Immsi Group*
TOTAL ASSETS	**284,959**	**1,990,292**	**133,224**	**2,408,475**
TOTAL LIABILITIES	**315,950**	**1,566,019**	**117,621**	**1,999,590**

Other information

In thousands of Euros	*Property and holding sector*	*Industrial sector*	*Marine sector*	*Immsi Group*
Investments in property, plant and equipment and intangible assets	**824**	**66,642**	**200**	**67,666**
Depreciation, amortisation and write-downs	**574**	**67,693**	**1,193**	**69,460**
Cash flow from operating activities	**-8,533**	**82,395**	**4,183**	**78,045**
Cash flow from investing activities	**14,711**	**-68,348**	**-190**	**-53,827**
Cash flow from financing activities	**-23,502**	**-43,553**	**-1,653**	**-68,708**

Information by geographic segments

Income statement

In thousands of Euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Net sales to third parties	604,329	23,257	140,116	76,361	233,458	1,077,521
NET REVENUES	**604,329**	**23,257**	**140,116**	**76,361**	**233,458**	**1,077,521**

Statement of Financial Position

In thousands of Euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
TOTAL ASSETS	**1,844,538**	**26,448**	**214,865**	**64,856**	**257,768**	**2,408,475**

In thousands of Euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Total receivables *	**122,947**	**17,086**	**51,865**	**9,017**	**12,748**	**213,663**
Total payables **	**576,284**	**23,178**	**147,014**	**10,115**	**125,442**	**882,033**

* Contract works in progress and tax receivables are not included.
** Financial liabilities and current tax payables are not included.

Other information

In thousands of Euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Investments in property, plant and equipment and intangible assets	**38,419**	**316**	**11,669**	**638**	**16,624**	**67,666**
Depreciation, amortisation and write-downs	**52,283**	**702**	**9,966**	**1,422**	**5,087**	**69,460**

- F - INFORMATION ON THE MAIN ASSET ITEMS

Amounts are stated in thousands of Euro unless otherwise indicated.

- F1 - INTANGIBLE ASSETS 900,847

Net intangible assets as of 30 June 2023 amounted to €900,847 thousand, up by €3,510 thousand compared to 31 December 2022. Investments made during the half year, mainly by the Piaggio group, were partially offset by amortisation. 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.
Changes in this item are presented below:

In thousands of Euros	***Development costs***	***Concessions, patents, industrial and similar rights***	***Trademarks and licences***	***Goodwill***	***Other intangible assets***	***TOTAL***
Gross amounts at 31 December 2021	**434,499**	**577,912**	**190,862**	**625,421**	**11,275**	**1,839,969**
Increases	19,330	19,724	0	0	215	39,269
Change in the scope of consolidation	0	0	0	0	0	0
Other movements	3,952	277	0	0	250	4,479
Gross amounts as of 30 June 2022	**457,781**	**597,913**	**190,862**	**625,421**	**11,740**	**1,883,717**
Accumulated amortisation as of 31 December 2021	**330,013**	**437,196**	**161,384**	**11,439**	**10,975**	**951,007**
Amortisation	15,518	21,553	33	0	63	37,167
Write-downs	(420)	0	0	0	0	(420)
Change in the scope of consolidation	0	0	0	0	0	0
Other changes	3,849	280	0	0	235	4,364
Accumulated amortisation as of 30 June 2022	**348,960**	**459,029**	**161,417**	**11,439**	**11,273**	**992,118**
Net amounts as of 30 June 2022	**108,821**	**138,884**	**29,445**	**613,982**	**467**	**891,599**
Gross amounts as of 31 December 2022	**471,083**	**623,137**	**190,862**	**625,421**	**12,592**	**1,923,095**
Increases	22,214	22,756	0	0	121	45,091
Change in the scope of consolidation	0	0	0	0	0	0
Other movements	(1,670)	(167)	0	0	(259)	(2,096)
Gross amounts as of 30 June 2023	**491,627**	**645,726**	**190,862**	**625,421**	**12,454**	**1,966,090**
Accumulated amortisation at 31 December 2022	**361,355**	**480,395**	**161,450**	**11,439**	**11,119**	**1,025,758**
Amortisation	17,158	23,676	33	0	106	40,973
Write-downs	0	0	0	0	0	0
Change in the scope of consolidation	0	0	0	0	0	0
Other changes	(1,225)	(124)	0	0	(139)	(1,488)
Accumulated amortisation as of 30 June 2023	**377,288**	**503,947**	**161,483**	**11,439**	**11,086**	**1,065,243**
Net amounts as of 30 June 2023	**114,339**	**141,779**	**29,379**	**613,982**	**1,368**	**900,847**

Note: The “Other changes” item includes the reductions for fully amortised intangible assets, translation differences relating to financial statements in foreign currencies and reclassifications.

Development costs

Development costs of €114,339 thousand mainly include costs for products and engines in projects for which there is an expectation for the period of the useful life of the asset to see net sales at such a level as to allow the recovery of the costs incurred. This item includes assets under construction for €46.7 million which instead represent costs for which the conditions for capitalisation exist, but refer to products that will go into production in future years.

With regard to the Piaggio group, during the first half of 2023, development costs of approximately €11.8 million were charged directly to the income statement.
Borrowing costs related to loans for the development of long-term products 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 5 years (founding products) or 3 years, in consideration of their remaining useful life.

With reference to the marine sector, the item as of 30 June 2023 includes investments in development projects, under intangible assets, net of amortisation, for €0.7 million.

Concessions, patents, industrial and similar rights

The net balance of this item, equal to €141,779 thousand as of 30 June 2023 including assets under construction for €53,890 thousand, mainly refers to the Piaggio group (€141,456 thousand). Increases for the period mainly refer to new calculation, design and production techniques and methodologies developed by the Piaggio group, referring to main new products in the 2023-2024 range. Costs for industrial patent and intellectual property rights are amortised over a period of three to five years, in consideration of their remaining useful life.

Trademarks and licences

Trademarks and licenses, amounting to €29,379 thousand, are broken down as follows:

In thousands of Euros	**As of 30 June 2023**	**As of 31 December 2022**	**Change**
Guzzi trademark	9,750	9,750	-
Aprilia trademark	19,158	19,158	-
Foton licence	463	494	(31)
Minor trademarks	8	10	(2)
Total Trademark	**29,379**	**29,412**	**(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

The goodwill registered by the Group is unchanged compared to 31 December 2022 and is broken down in the following table:

In thousands of Euros	Net Balance at 30.06.2023
Acquisition of 100% of Piaggio & C. S.p.A. by Piaggio Holding N. BV (in 2003)	405,985
Acquisition of 2.81% of Piaggio & C. S.p.A. by Piaggio Holding N. BV (in 2006)	14,620
Acquisition of 31.25% of Piaggio Holding N. BV by Immsi S.p.A. (in 2003)	3,480
Acquisition of 5.23% of Piaggio & C. S.p.A. by Immsi S.p.A. (in 2004) / Sale of 2.32% of Piaggio & C. S.p.A. by Immsi S.p.A. in 2008	3,643
Acquisition of 17.7% of Piaggio Holding N. BV by Immsi S.p.A. (in 2004 and 2006)	64,756
Acquisition of 2.22% of Piaggio & C. S.p.A. by Immsi S.p.A. (in 2007 and 2008)	7,143
Acquisition of 100% of Aprilia S.p.A. by Piaggio & C. S.p.A. (in 2004)	79,705
Acquisition of 66.49% of Rodriquez Cantieri Navali S.p.A. by RCN Finanziaria S.p.A. (in 2004)	30,337
Acquisition of 33.51% of Rodriquez Cantieri Navali S.p.A. by RCN Finanziaria S.p.A. (in 2005)	2,001
Acquisition of 2.37% of RCN Finanziaria S.p.A. by Immsi S.p.A. (in 2007)	1,286
Other acquisitions / changes	1,026
TOTAL	**613,982**

- *of which allocated to Piaggio group cash-generating unit*	*579,492*
- *of which allocated to Intermarine cash-generating unit*	*34,428*

Goodwill derives from the greater value paid compared to the corresponding portion of the investee companies' shareholders' equity at the time of the purchase, reduced by the related cumulative amortisation until 31 December 2003. In adopting international accounting standards for the first time, the Group chose not to apply IFRS 3 – *Business Combinations* retrospectively to acquisitions carried out prior to 1 January 2004. As a result, the goodwill generated on acquisitions prior to the date of transition to IFRSs was maintained at the previous value, determined according to Italian accounting standards, subject to assessment and recognition of any impairment losses. At 1 January 2004 goodwill is no longer amortised: the recoverable value of the cash-generating unit to which the goodwill was allocated is verified by determining the recoverable value (value in use) and submitted to an impairment test, applying the method required by the International Accounting Standard IAS 36. Such value has been estimated on the basis of:

- the present value of future financial flows over a multi-year forecasting period that are estimated to be generated by the continuous use of the assets relating to individual cash generating units ("Discounted Cash Flow" method in its "Unlevered" version); and
- by the terminal value attributable to them (estimated according to the perpetual growth method), so as to reflect the residual value that each cash-generating unit is expected to generate beyond the planning timeframe and which is representative of the current value of future cash flows after the specific period of forecast financial data.

The recoverability of goodwill is verified at least once a year (as of 31 December), even in the absence of possible impairment indicators.

When preparing the Immsi Group's Condensed Financial Statements as of 30 June 2023, with reference to the **Piaggio group** cash-generating units, Immsi Group management analysed the projection of current and forward-looking result flows with reference to the current year and compared them with the budget and plan data approved at the beginning of 2023 by the Board of Directors of Piaggio for the various geographical areas in which it operates. The outcome of this audit did not require the impairment test to be updated, the results of which are therefore still considered valid as of 30 June 2023, also in consideration of the extent of the cover existing at that date.

As regards the cash-generating unit **Intermarine** the company coincides with the definition of the "marine sector" identified by the Immsi Group in its own segment reporting, in compliance with *IFRS 8 – Operating segments*: the carrying amount of goodwill allocated to this *cash generating unit was* equal to approximately €34.4 million. Immsi Group management, verifying that the results achieved by the company are in line for the first half of 2023 with the 2023-2027 forecast data approved by the subsidiary's Board of Directors on 10 March 2023 and in light of the update of the main parameters contributing to the determination of the WACC which showed an increase in the same compared to 31 December 2022 not exceeding 0.2%, considered that there was no need to proceed with an update of the impairment test conducted for the purposes of the 2022 consolidated financial statements, thus confirming the relative results, also in consideration of the extent of the cover existing at that date.

The forecast data – uncertain and variable by nature – reflect the evolution of the company's order portfolio as well as its future industrial and commercial strategies. This data, in particular, is essentially based on the acquisition of future contracts, in relation to which negotiations are currently underway. Given the intrinsically uncertain nature of the forecast data, possible deviations from these forecast data may occur in the future, resulting in possible future impairments.

Considering that the abovementioned analyses conducted by the Immsi Group cash-generating unit were, as mentioned, determined based on estimates, the Group cannot guarantee that there will be no goodwill impairment losses in future periods. Owing to complex macro-economic context, the various factors – both inside and outside the cash-generating units identified – used in preparing the above estimates could be revised in the future. The Group will constantly monitor these factors and the possible existence of future impairment losses.

In addition, it is reported that Immsi S.p.A.'s share as of 30 June 2023 presents a market capitalisation lower than the value of consolidated shareholders' equity; the Directors concluded that, as of 30 June 2023, there were no impairment losses to be recognised in the consolidated financial statements of the Immsi Group, based on the one hand on the results of the above-mentioned analyses with reference to the Piaggio group and Intermarine CGUs, and based on the other hand on the fair value measurements of the assets relating in particular to the company Is Molas, carried out by an independent expert appraiser as of 31 December 2022, which again showed a significant coverage arising from the difference between appraised values and book values.

- F2 - PROPERTY, PLANT AND EQUIPMENT 365,115

Net property, plant and equipment as of 30 June 2023 totalled €365,115 thousand, including assets under construction for approximately €32.7 million, compared to €369,668 thousand as of 31 December 2022, and comprise assets mainly recognised by the Piaggio group for €317.3 million, Intermarine S.p.A. for €18 million, and Is Molas S.p.A. for €28.7 million.

The following table details this item:

In thousands of Euros	*Land*	*Buildings*	*Plant and machinery*	*Industrial and commercial equipment*	*Assets to be given free of charge*	*Other assets*	*TOTAL*
Gross amounts at 31 December 2021	**50,526**	**243,945**	**560,293**	**532,367**	**16,517**	**75,026**	**1,478,674**
Increases	5,874	12,750	7,704	8,019	13	6,451	40,811
Decreases	0	(862)	(101)	(1,203)	0	(978)	(3,144)
Change in the scope of consolidation	0	0	0	0	0	0	0
Other movements	245	1,798	6,814	36	0	750	9,643
Gross amounts as of 30 June 2022	**56,645**	**257,631**	**574,710**	**539,219**	**16,530**	**81,249**	**1,525,984**
Accumulated depreciation as of 31 December 2021	**0**	**121,431**	**436,705**	**490,202**	**15,021**	**60,031**	**1,123,390**
Depreciation	0	6,140	12,132	7,694	130	4,462	30,558
Utilisation	0	0	0	0	0	0	0
Write-downs	0	(641)	(19)	(1,844)	0	0	(2,504)
Change in the scope of consolidation	0	0	0	0	0	0	0
Other changes	0	138	4,677	673	0	117	5,605
Accumulated depreciation as of 30 June 2022	**0**	**127,068**	**453,495**	**496,725**	**15,151**	**64,610**	**1,157,049**
Net amounts as of 30 June 2022	**56,645**	**130,563**	**121,215**	**42,494**	**1,379**	**16,639**	**368,935**
Gross amounts as of 31 December 2022	**56,345**	**266,073**	**568,728**	**545,406**	**16,532**	**85,846**	**1,538,930**
Increases	0	8,550	12,329	3,956	278	6,314	31,427
Decreases	0	(1,464)	(9,075)	(189)	0	(417)	(11,145)
Change in the scope of consolidation	0	0	0	0	0	0	0
Other movements	79	(1,076)	186	71	0	(702)	(1,442)
Gross amounts as of 30 June 2023	**56,424**	**272,083**	**572,168**	**549,244**	**16,810**	**91,041**	**1,557,770**
Accumulated depreciation as of 31 December 2022	**0**	**133,954**	**449,092**	**501,773**	**15,276**	**69,167**	**1,169,262**
Depreciation	0	7,312	11,895	8,511	88	6,036	33,842
Write-downs	0	(91)	0	0	0	0	(91)
Utilisation	0	(1,041)	(9,067)	(1,073)	0	0	(11,181)
Change in the scope of consolidation	0	0	0	0	0	0	0
Other changes	0	(231)	1,116	940	0	(1,002)	823
Accumulated depreciation as of 30 June 2023	**0**	**139,903**	**453,036**	**510,151**	**15,364**	**74,201**	**1,192,655**
Net amounts as of 30 June 2023	**56,424**	**132,180**	**119,132**	**39,093**	**1,446**	**16,840**	**365,115**

Note: "Other changes" include exchange rate differences arising from the translation of financial statements in foreign currencies and reclassifications.

Property, plant and equipment primarily relate to the Intermarine S.p.A. industrial facility at Sarzana (La Spezia), the hotel and resort managed by Is Molas S.p.A. in Pula (Cagliari) and the Piaggio group's production plants located in Pontedera (Pisa), Noale (Venice), Mandello del Lario (Lecco), Baramati (India), Vinh Phuc (Vietnam) and Jarkarta (Indonesia).

With reference to the Piaggio group, the increases in the first half of 2023 mainly relate to 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 2023, borrowing costs of €226 thousand were capitalised in the Piaggio group.

With reference to the tourist-hotel site managed by Is Molas S.p.A., it should be noted that during the first half of 2023, important extraordinary maintenance, energy efficiency and renovation works on the existing structures were carried out, with investments of approximately €6.7 million.

Property, plant and equipment as of 30 June 2023 included approximately €1,446 thousand relative to freely transferable assets attributable to Intermarine, comprising light constructions, buildings and relative renovation costs, built on state-owned land in the Municipality of Messina. Buildings built on state-owned land are depreciated based on the remaining duration of the concession (expiring in 2028). These assets, held because of a concession agreement, at its expiry, must be freely and in a perfect state of operation transferred to the granting body.

Rights of use

Rights of use, which refer to operating leases, finance leases and prepaid rent for the use of property are included in the individual categories to which they refer.
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.
The Group opted to use the optional exemption provided for by IFRS16 for low-value and short-term lease agreements.

The changes in the first half of 2023 are detailed below:

In thousands of Euros	*Land*	*Buildings*	*Plant and machinery*	*Industrial and commercial equipment*	*Assets to be given free of charge*	*Other assets*	*TOTAL*
Gross amounts as of 31 December 2022	**0**	**50,147**	**12,839**	**1,979**	**1,110**	**10,239**	**76,314**
Increases	0	1,435	0	0	0	1,774	3,209
Decreases	0	(1,176)	0	0	0	(128)	(1,304)
Change in the scope of consolidation	0	0	0	0	0	0	0
Other movements	0	(528)	0	0	0	(1)	(529)
Gross amounts as of 30 June 2023	**0**	**49,878**	**12,839**	**1,979**	**1,110**	**11,884**	**77,690**
Accumulated depreciation at 31 December 2022	**0**	**23,526**	**5,564**	**318**	**552**	**7,839**	**37,799**
Depreciation	0	4,343	428	212	40	884	5,907
Utilisation	0	(941)	0	0	0	(128)	(1,069)
Change in the scope of consolidation	0	0	0	0	0	0	0
Other changes	0	(220)	0	0	0	(2)	(222)
Accumulated depreciation as of 30 June 2023	**0**	**26,708**	**5,992**	**530**	**592**	**8,593**	**42,415**
Net amounts as of 30 June 2023	**0**	**23,170**	**6,847**	**1,449**	**518**	**3,291**	**35,275**

The Income Statement includes the following amounts relating to lease agreements:

	1st half of 2023
Depreciation of rights of use	5,907
Financial charges for rights of use	868
Rental payments (not IFRS 16)	8,826

In the first half of 2023 the leases subject to IFRS 16 resulted in a cash outflow of €5,111 thousand, while the commitments for lease payments falling due amount to €28,559 thousand, as detailed in the Financial liabilities section.

Guarantees

As of 30 June 2023, the Group had land and property encumbered by mortgages or pledges in favour of financial institutions to guarantee bank borrowings. For more information, reference is made to the Annual Report of the Immsi Group as of 31 December 2022, in the section on "Commitments, risks and guarantees".

- F3 - EQUITY INVESTMENTS 9,343

The table below details the item Equity investments as of 30 June 2023:

In thousands of Euros	*Balance as of 31.12.2022*	*Increases*	*Decreases*	*Reversals / Write-downs*	*Reclassifications / Exchange differences*	*Balance as of 30.06.2023*
Equity investments in subsidiaries	27	0	0	0	0	27
Equity investments in affiliated companies and joint ventures	9,921	0	0	5	(610)	9,316
TOTAL	**9,948**					**9,343**

The higher value of the above item refers mainly to the equity valuation of the investment in the Zongshen Piaggio Foshan Motorcycles Co. Ltd..

Main financial data of the joint venture

	Accounts as of 30 June 2023		**Accounts As of 31 December 2022**	
In thousands of Euros		45%		45%
Working capital	8,475	3,814	13,014	5,856
Financial debt	3,386	1,523	0	0
Total assets	11,059	4,977	12,946	5,826
Net capital employed	**22,920**	**10,314**	**25,960**	**11,682**
Provisions	411	185	441	198
Financial debt	0	0	1,309	589
Shareholders' equity	22,509	10,129	24,210	10,895
Total sources of financing	**22,920**	**10,314**	**25,960**	**11,682**

Shareholders' equity attributable to the Group	10,129	10,895
Elimination of margins on internal transactions	(1,042)	(1,198)
Value of the investment	**9,087**	**9,697**

Statement of changes and reconciliation of Shareholders' Equity

In thousands of Euros	
Opening balance as of 1 January 2023	**9,697**
Profit (Loss) for the period	(21)
Statement of Comprehensive Income	(744)
Elimination of margins on internal transactions	155
Closing balance as of 30 June 2023	**9,087**

The item Investments includes other investments in associates for €229 thousand, the corresponding equity value of which has increased by €5 thousand compared to 31 December 2022.

- F4 - OTHER FINANCIAL ASSETS 5,962

- Non-current portion

Other non-current financial assets amount to €16 thousand and consist of investments held by the Piaggio group in other minor companies.

Non-current financial assets also include the investment held in Alitalia – CAI by Immsi S.p.A., which has remained unchanged compared to 31 December 2022 at 2.18%. Considering events relating to the airline and in particular the compulsory administration ordered in May 2017 and the full write-down of the investment in Alitalia – SAI by Alitalia – CAI, Group management decided to reset the carrying amount.

- Current portion

Other current financial assets totalled €5,946 thousand as of 30 June 2023, an increase of €2,176 thousand compared to 31 December 2022.
This item mainly consists of the equity investment (279,639 shares) held by Immsi S.p.A. in Unicredit S.p.A.. As provided for by IFRS 9, the Group measured at fair value the equity package as of 30 June 2023, recognising the adjustment, which increased compared to the end of 2022, in other comprehensive income. These adjustments will not be subsequently transferred to operating profit (loss), but the Group may transfer the accumulated loss or profit to shareholders' equity, when the investment is sold.

- F5 - TAX RECEIVABLES 58,780

Current and non-current tax receivables total €58,780 thousand, up by €3,703 thousand compared to the end of 2022, due mainly to higher current VAT receivables recognised by the Piaggio group and by Is Molas S.p.A..

- Non-current portion

In thousands of Euros	*Balance as of 30.06.2023*	*Balance as of 31.12.2022*
VAT receivables	290	741
Income tax receivables	5,779	6,270
Other tax receivables	623	1,820
TOTAL	**6,692**	**8,831**

- Current portion

In thousands of Euros	Balance as of 30.06.2023	Balance as of 31.12.2022
VAT receivables	38,618	34,456
Income tax receivables	4,516	3,043
Other tax receivables	8,954	8,747
TOTAL	**52,088**	**46,246**

- F6 - DEFERRED TAX ASSETS **130,539**

Deferred tax assets as of 30 June 2023 amounted to €130,539 thousand, a decrease of approximately €15 million compared to 31 December 2022. The portion expected to be reversed within 12 months amounts to €8,786 thousand, while the portion expected to be reversed beyond 12 months amounts to €121,753 thousand. These figures are recorded net of deferred tax liabilities of a similar nature and maturity.
Deferred tax assets have been recorded by the Piaggio group for €56.4 million, €36.3 million by the subsidiary Intermarine S.p.A., and €20.5 million by the subsidiary Is Molas S.p.A.. The remaining amount of €17.3 million refers to other companies in the property and holding sector.

As part of measurements to define deferred tax assets, the Group mainly considered: i) the tax regulations of the different countries in which it is present; ii) their impact in terms of timing differences and any tax benefits deriving from the use of prior tax losses; iii) the tax rate in force in the year in which the temporary differences will be paid iv) the expected taxable income in a medium to long term perspective for each individual company belonging to the Immsi Group and its economic and fiscal impacts; v) National Fiscal Consolidation agreements and plans over a six-year time horizon (until 2028), for those companies, including the Parent Company, that adhere to them; and (vi) as well as results from fair value measurements for certain Group assets.
Based on 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. For details of unrecognised deferred tax assets, please refer to the notes to the financial statements as of 31 December 2022.

However, the future dynamics of various economic and financial factors requires the Group's management to constantly monitor circumstances and events that could result in non-recoverability of deferred tax assets recognised by the Group companies, both adhering and not adhering to the national tax consolidation.

- F7 - TRADE RECEIVABLES AND OTHER RECEIVABLES **208,835**

Trade receivables and other receivables included under non-current assets total €20,219 thousand (net of the corresponding provisions for write-down of €1,203 thousand), against €21,837 thousand as of 31 December 2022.

Trade receivables and other receivables (including the value of work in progress) included under current assets are as follows:

In thousands of Euros	Balance as of 30.06.2023	Balance as of 31.12.2022
Trade receivables	146,652	71,694
Amounts due from joint ventures	561	544
Other receivables	41,403	40,162
TOTAL	**188,616**	**112,400**

Current third party trade receivables amounted to €146,652 thousand as of 30 June 2023, an increase of around €74,959 thousand compared to the value recorded as of 31 December 2022: as already mentioned, the increase in this value is mainly linked to the seasonality of Piaggio group sales, which are mainly concentrated in the spring and summer months.
The item Trade receivables comprises amounts due from normal sales transactions, stated net of a provision for write-downs of €33,981 thousand, up by €1,678 thousand compared to 31 December 2022.

The balance of receivables from joint ventures (equal to €561 thousand as of 30 June 2023) refers to receivables from Zongshen Piaggio Foshan Motorcycle Co. Ltd., as detailed in the statement of intercompany and related party transactions at the end of this document.

It should also be remembered that the Piaggio group transfers on a regular basis a large part of its trade receivables mainly with "without recourse" and "with recourse" clauses. 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 2023, outstanding trade receivables assigned without recourse amounted to a total of €281,384 thousand. Of these receivables, Piaggio received payment prior to natural expiry for €261,285 thousand. As of 30 June 2023, advances received – both from factoring firms *and* from banks – on "with recourse" disposals of trade receivables totalled €19,054 thousand and are offset in current liabilities.

Other receivables mainly include advances to suppliers of €5,510 thousand, largely recorded by the subsidiary Intermarine S.p.A., accrued income and prepaid expenses for a total of €15,494 thousand, and the fair value of exchange rate risk hedging on forecast transactions accounted for by Piaggio using the cash flow hedge principle for €3,688 thousand.
Other receivables also include €4,287 thousand (€3,480 thousand as of 31 December 2022) relating to a receivable for the grant by 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.

This item includes approximately €1 million relating to receivables with a maturity of more than 5 years recognised by the subsidiary Intermarine S.p.A..

Finally the other receivables include the equivalent value of the works in progress to order net of the advance payments received, referable entirely to the subsidiary Intermarine S.p.A., whose composition is detailed as follows:

In thousands of Euros				
	Balance as of 31.12.2022	*Increases*	*Decreases*	*Balance as of 30.06.2023*
Contract work in progress gross of advances	**29,028**	11,288	0	**40,316**
Contractual advances received from customers	25,309			36,515
Contract work in progress net of advances	**3,719**			**3,801**
Costs sustained	23,954			27,473
Margins recognised (net of losses)	5,074			6,322

- F8 - ASSETS/LIABILITIES RELATED TO ASSETS HELD FOR DISPOSAL **0**

As of 30 June 2023, no assets and liabilities related to assets held for disposal had been recognised.

- F9 - INVENTORIES **488,120**

As of 30 June 2023, inventories, measured at the lower of cost and market value, amounted to €488,120 thousand, down by approximately €3 million compared to 31 December 2022 and are composed as follows:

In thousands of Euros	*Balance as of 30.06.2023*			*Balance as of 31.12.2022*		
	Cost	*Write-down*	*Net*	*Cost*	*Write-down*	*Net*
Consumables	68	0	68	42	0	42
Raw materials	205,460	(22,083)	183,377	209,104	(15,992)	193,112
Work in progress and semi-finished products	126,973	(13,961)	113,012	143,737	(14,404)	129,333
Finished products	212,231	(20,568)	191,663	188,944	(20,338)	168,606
TOTAL	**544,732**	**(56,612)**	**488,120**	**541,827**	**(50,734)**	**491,093**

The above write-downs were necessary due to stocks of raw materials no longer usable in the production process and obsolete or slow-moving finished products and goods.

As of 30 June 2023, the Piaggio group had recognised, net of write-downs, inventories for €378,379 thousand referred to components, accessories, two-wheeler, three-wheeler and four-wheeler vehicles.
Intermarine S.p.A. contributed €42,492 thousand, mainly concerning raw materials and products in progress for prototypes, own construction and repairs. Finally, Is Molas S.p.A. recorded €67,249 thousand of inventories at the half-year end, including financial expenses and capitalised employee costs, relating to the hotel business, as well as work in progress and semi-finished products represented by land, volumes, costs for services and consultancy for the property development project relating to the allotment located in Is Molas - Cagliari.

- F10 - CASH AND CASH EQUIVALENTS **267,484**

Cash and cash equivalents at the end of the period totalled €267,484 thousand against €263,577 thousand as of 31 December 2022, as detailed in the table below:

In thousands of Euros		
	Balance as of 30.06.2023	*Balance as of 31.12.2022*
Cash and cash equivalents	93	71
Receivable due from banks within 90 days	267,391	263,506
TOTAL	**267,484**	**263,577**

This item covers cash, current bank accounts, deposits refundable on demand and other short-term high-liquidity financial investments readily convertible into cash and subject to an insignificant risk of variation in value. For details of changes during the first half of 2023 in the item in question, reference is made to the Statement of Consolidated Cash Flows as of 30 June 2023.

Approximately €4.8 million refer to restricted bank deposits, recognised by the subsidiary Intermarine S.p.A. aimed at so-called "green" investments to be carried out and €28 thousand to Is Molas bank deposits relating to a tax bill for formal errors for which relief has been obtained from the Revenue Agency and bank release is in the process of being obtained.

The table below reconciles the amount of cash and cash equivalents shown above with those shown in the consolidated cash flow statement.

In thousands of Euros	*Balance as of 30.06.2023*	*Balance as of 31.12.2022*
Cash and cash equivalents	267,484	263,577
Current account overdrafts	0	(64)
TOTAL	**267,484**	**263,513**

- G - INFORMATION ON THE MAIN LIABILITY ITEMS

Amounts are stated in thousands of Euro unless otherwise indicated.

- G1 - SHAREHOLDERS' EQUITY 418,495

Shareholders' equity as of 30 June 2023 amounted to €418,495 thousand, of which €241,146 thousand relating to consolidated shareholders' equity attributable to the Group and €177,349 thousand to capital and reserves of non-controlling interests.

Share capital

As of 30 June 2023, the share capital of the parent company Immsi S.p.A., fully subscribed and paid up, is composed of 340,530,000 ordinary shares without par value, for a total of €178,464,000.00. As of 30 June 2023, Immsi S.p.A. did not hold any treasury shares.

Each ordinary share entitles the holder to a proportionate part of distributable profits and of the shareholders' equity resulting from any liquidation, as well as to unlimited voting rights. as well as unlimited voting rights.

Legal reserve

The legal reserve comprises reserves allocated following the distribution of profits for the year, in accordance with provisions of law and totalling €10,244 thousand at the end of June 2023, an increase of €1,022 thousand compared to 31 December 2022, as resolved by the parent company Immsi S.p.A., in the decision to allocate profit for 2022 approved by the Shareholders' Meeting on 28 April 2023.

Other reserves

Other reserves attributable to the Group totalled €70,173 thousand, down by €5,326 thousand compared to the figure as of 31 December 2022.
The details of the item "Other reserves" are shown below:

In thousands of Euros

	Share premium reserve / share capital increase	*IAS transition reserve*	*Reserves as per Law No. 413/91*	*Legal reserves*	*Translation reserves*	*Reserve for actuarial gains (losses) relative to defined benefit plan*	*Financial instrument measurement reserve*	*Other changes in other reserves*	*Total other reserves*
Balances as of 31 December 2022	***94,874***	***5,300***	***4,602***	***1,153***	***(22,596)***	***(4,466)***	***(26,482)***	***23,114***	***75,499***
Other changes								(3,127)	(3,127)
Overall earnings for the period					(1,425)	10	(783)		(2,199)
Balances as of 30 June 2023	***94,874***	***5,300***	***4,602***	***1,153***	***(24,021)***	***(4,456)***	***(27,266)***	***19,987***	***70,173***

The share premium reserve includes the consideration of the shares underwritten following the increase in share capital of Immsi S.p.A. in 2005 and 2006 for an overall amount of €95,216 thousand, net of uses of €342 thousand.

Other reserves included the reserve created by the transition to international accounting standards made by the Group on 1 January 2004, totalling €5,300 thousand at the end of June 2023 and unchanged since 31 December 2022. For more details, reference is made to the Financial Statements as of 31 December 2005, available on the website www.immsi.it.
The reserve for the measurement of financial instruments was negative by €27,266 thousand, mainly due to: the recognition in other comprehensive income of the fair value adjustment of equity financial instruments held by the Parent Company, such as the investment in Unicredit, amounting to a €8,918 thousand, and Alitalia - CAI, amounting to €14,778 thousand.

Retained earnings

Losses carried forward total €37,304 thousand and represent the accumulated losses of the Group.

Capital and reserves of non-controlling interests

As of 30 June 2023 the balance of share capital and reserves attributable to non-controlling interests totalled €177,349 thousand, an increase of €8,758 thousand compared to 31 December 2022.

Statement of Comprehensive Income

As of 30 June 2023, the overall result for the period showed a profit of €40,606 thousand, of which €23,237 thousand pertaining to minority interests, including net positive components that cannot be reclassified in future to the income statement for a total of €2,268 thousand, mainly due to the fair value adjustment of equity instruments held by the Parent Company, as well as net negative components which can be reclassified to the income statement for €8,735 thousand recorded mainly by the Piaggio group, essentially relating to translation losses and the effective portion of losses on cash flow hedges.

- G2 -	FINANCIAL LIABILITIES	**1,040,082**

Financial liabilities totalled €1,040,082 thousand as of 30 June 2023, up by €39,463 thousand compared to the value recorded as of 31 December 2022. The portion recorded under non-current liabilities came to €576,192 thousand, compared to €595,176 as of 31 December 2022, while the portion included in current liabilities came to €463,892 thousand, compared to €405,443 thousand at the end of 2022, of which details are shown below net of interest payable for a total of €5,347 thousand to minority shareholders of Group companies accrued on loans received.
As already stated, net financial debt does not include financial assets and liabilities arising from the fair value measurement of financial derivatives used for hedging and otherwise, the fair value adjustment of related hedged items, financial liabilities referred to assets held for sale, related accruals and payables for interest expense accrued on loans received.
Therefore, as of 30 June 2023, the Immsi Group's net financial debt totalled €767.2 million, an increase of approximately €35.5 million compared to 31 December 2022. The Group's net financial debt includes €384.4 million in the "Industrial" Sector (Piaggio group) and the remaining €382.8 million in the "Property and Holding" and "Marine" Sectors.

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). 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.

The following table summarises the changes that occurred in the first half of 2023:

In thousands of Euros								
	Net Balance at 31.12.2022	***Movements***	***Repayments***	***New issues***	***Reclassifications***	***Exchange delta***	***Other changes***	***Net Balance at 30.06.2023***
Liquidity	*(263,577)*	*(6,091)*				*2,184*		*(267,484)*
Payables due to banks for current account overdrafts	64		(64)					0
Payables due to banks within 1 year	224,063		(12,152)	57,412		(911)	(173)	268,239
Current portion of non-current financial debt	105,281		(55,853)	8,188	57,452	0	364	115,432
Current payables to banks	*329,408*		*(68,069)*	*65,600*	*57,452*	*(911)*	*191*	*383,671*
Bonds	0		0					0
Financial liabilities for rights of use	11,611		(5,154)		2,312	(94)	106	8,781
Amounts due to subsidiaries	6							6
Amounts due to other lenders	59,071		(12,075)	19,054	35			66,085
Current financial debt	***400,096***	***0***	***(85,298)***	***84,654***	***59,799***	***(1,005)***	***297***	***458,543***
Net current financial debt	***136,519***	***(6,091)***	***(85,298)***	***84,654***	***59,799***	***1,179***	***297***	***191,059***
Non-current payables to banks	330,344			36,732	(57,452)		128	309,752
Bonds	245,736						775	246,511
Financial liabilities for rights of use	18,920		43		(2,312)	(137)	3,264	19,778
Amounts due to subsidiaries	0							0
Amounts due to other lenders	176				(35)			141
Non-current financial debt	***595,176***	***0***	***43***	***36,732***	***(59,799)***	***(137)***	***4,167***	***576,182***
NET FINANCIAL DEBT	**731,695**	**(6,091)**	**(85,255)**	**121,386**	**0**	**1,042**	**4,464**	**767,241**

The attached tables summarise the financial liabilities by type of financial debt:

- Non-current portion

In thousands of Euros		
	Balance as of 30.06.2023	***Balance as of 31.12.2022***
Bonds	246,511	245,736
Payables due to banks	309,752	330,344
Financial liabilities for rights of use	19,778	18,920
Amounts due to other lenders	141	176
TOTAL	**576,182**	**595,176**

- Current portion

In thousands of Euros	Balance as of 30.06.2023	Balance as of 31.12.2022
Payables due to banks	383,671	329,408
Financial liabilities for rights of use	8,781	11,611
Amounts due to subsidiaries (*)	6	6
Amounts due to other lenders	66,085	59,071
TOTAL	**458,543**	**400,096**

*) not consolidated on a global integration basis

The composition of the gross Financial debt is the following:

In thousands of Euros	Balance at 30.06.2023	Balance at 31.12.2022	Nominal value at 30.06.2023	Nominal value at 31.12.2022
Bonds	246,511	245,736	250,000	250,000
Payables due to banks	693,423	659,752	694,715	663,788
Financial liabilities for rights of use	28,559	30,531	28,559	30,531
Amounts due to subsidiaries (*)	6	6	6	6
Amounts due to other lenders	66,226	59,247	66,227	59,248
TOTAL	**1,034,725**	**995,272**	**1,039,507**	**1,003,573**

*) not consolidated on a global integration basis

The following schedule shows the repayment plan for the gross financial debt of the Immsi Group as of 30 June 2023:

In thousands of Euros	Nominal value at 30.06.2023	Portions falling due in 1 year	Portions falling due From 1 to 2 years	Portions falling due from 2 to 3 years	Portions falling due from 3 to 4 years	Portions falling due from 4 to 5 years	Portions falling due after 5 years
Bonds	250,000	0	250,000	0	0	0	0
Payables due to banks	694,715	383,766	97,099	60,408	89,486	24,016	39,940
Financial liabilities for rights of use	28,559	8,781	8,565	5,423	1,958	66	3,767
Amounts due to subsidiaries (*)	6	6	0	0	0	0	0
Amounts due to other lenders	66,227	66,086	71	70	0	0	0
TOTAL	**1,039,507**	**458,639**	**355,735**	**65,901**	**91,444**	**24,082**	**43,707**

*) not consolidated on a global integration basis

The following table analyses the gross Financial debt, excluding rights of use, by currency and interest rate:

In thousands of Euros	Balance at 31.12.2022	Balance at 30.06.2023	Nominal value at 30.06.2023
Euros	954,370	962,375	967,157
Vietnamese Dong	7,873	32,695	32,695
Japanese Yen	2,417	3,053	3,053
Swiss Franc	0	4,381	4,381
Indian Rupee	81	0	0
Indonesian Rupiah	0	3,662	3,662
TOTAL	**964,741**	**1,006,166**	**1,010,948**

Amounts due to banks mainly include the following loans:

Immsi S.p.A.

- a loan from Bper Banca for a nominal amount of €10 million maturing on 31 December 2025, secured by a pledge on Piaggio shares up to a Collateral Value, and with a benchmark rate equal to the Euribor increased by a spread. The agreements provide for repayment in six-monthly instalments and are accounted for using the amortised cost method, amounting to €6,273 thousand, of which €2,450 thousand for instalments repayable within 12 months. This line of credit has two covenants, to be verified at 31 December of each year. To hedge the risk of interest rate fluctuations on cash flows, Immsi S.p.A. entered into a Interest Rate Swap (IRS) hedging contract that provides for the transformation of the variable rate into a fixed rate on the entire nominal value of the related loan;
- a partially amortised line of credit granted until December 2022 by Banca Nazionale del Lavoro for a nominal value of €30 million, guaranteed by a pledge on Piaggio shares up to a Guarantee Value and outstanding for €22.5 million. This line was extended until December 2023, as provided for in the contract, with a reference rate equal to the variable Euribor plus a spread. Moreover, it provides for a minimum Piaggio share price and compliance with two covenants, to be verified as of 31 December of each year;
- a loan from Banca Ifis in June 2023 for a nominal amount of €10 million maturing at the end of June 2027, secured by a pledge on Piaggio shares up to a Collateral Value, with a benchmark rate equal to the Euribor increased by a spread. The agreement provides for the repayment of constant quarterly instalments, and is recognised according to the amortised cost method, equal to €9,950 thousand, of which €1,429 thousand for instalments repayable within 12 months. This loan has two covenants, to be verified as of 31 December of each year;
- credit lines, renewed at the start of February 2023 and maturing at the end of January 2024 with Intesa Sanpaolo for €15 and €25 million, besides a Bullet – Multi Borrower line with Intesa Sanpaolo, granted initially for €125 million, of which €77.7 million to Immsi S.p.A., €30 million to ISM Investimenti S.p.A. and €12.3 million to Intermarine S.p.A. and two credit lines for advances granted (former UBI Banca), of €5 million each. These loans, guaranteed by a pledge on Piaggio shares up to a Collateral Value, have a benchmark rate equal to the Euribor increased by a spread.
- a partially amortised revolving credit line of €20 million granted in December 2022 by UniCredit and used as of 30 June 2023 for €10 million, at a rate equal to the variable Euribor plus a spread, maturing at the end of 2023 and guaranteed by a pledge on Piaggio shares up to a Collateral Value. The agreements include a covenant to be verified quarterly;
- an amortised credit line granted in July 2019 by Banco BPM for a nominal €6.5 million maturing at the end of September 2023 and an additional amortised credit line granted in June 2023 for a nominal €20 million maturing on 30 June 2026. The credit lines granted, guaranteed by a pledge on Piaggio shares up to a collateral limit, are at the Euribor plus a spread, require compliance with a set collateral value and are recognised at amortised cost at June 2023 for a total of €20,443 thousand, of which €4,542 thousand repayable within 12 months. To hedge the risk of interest rate fluctuations on the cash flows for the loan of June 2023, Immsi S.p.A. entered into an *Interest Rate Swap (IRS)* hedging contract that provides for the transformation of the variable rate into a fixed rate for 50% of the nominal value of the related loan. In addition, the loan provides for a *covenant*, to be verified at 31 December of each year;
- a bullet loan granted by ING Bank in December 2020, initially falling due in July 2022 and further extended in July until the end of January 2024 for €10 million, with a benchmark rate equal to the Euribor plus a spread, secured by a pledge on Piaggio shares up to a Value to Loan*;*

- a securities loan agreement between Immsi S.p.A. and Banca Akros, which – against a loan of 580,491 UniCredit shares, envisages a cash collateral from the bank of approximately €4,122 thousand equivalent to the market value of the share at the date of subscription net of a spread, which takes into account any downward fluctuations in the share. The contract, which expires on withdrawal, envisages a fee equal to 0.05% and interest expense equal to the Ester increased by a spread, calculated on the cash collateral disbursed by Banca Akros. Immsi received 300,852 UniCredit shares as a loan without cash collateral from Omniaholding S.p.A.. The latter were used in the aforementioned loan operations with cash collateral;
- a medium-term loan granted in May 2021 by Banca Popolare di Sondrio for a nominal amount of €5 million, maturing in June 2026, and a medium-term loan granted in January 2023 for a nominal amount of €5 million, maturing in February 2026, both with an amortisation plan based on quarterly and monthly instalments, a reference rate equal to the Euribor plus one spread and recognised at amortised cost as of 30 June 2023 for €7,425 thousand, of which €2,619 thousand for instalments repayable in the next 12 months;
- medium-term loan granted in June 2021 by Cassa di Risparmio di Bolzano - Sparkasse for a nominal amount of €5 million maturing at the end of June 2026, amortised in quarterly instalments and secured by a pledge on Piaggio shares up to a Collateral Value. This loan provides for a reference rate equal to the Euribor plus one spread and is recognised at amortised cost at the end of June 2023 for €2,991 thousand, of which €1 million for instalments repayable in the next 12 months. This line of credit also has two covenants, to be verified as of 31 December of each year;
- a medium-term loan granted in July 2021 by MedioCredito Centrale - Banca del Mezzogiorno maturing at the end of July 2026 for a nominal amount of €20 million, amortised in quarterly instalments and guaranteed by a pledge on Piaggio shares up to a Collateral Value. This loan provides for a reference rate equal to the Euribor plus one spread and is recognised at amortised cost at the end of June 2023 for €12,963 thousand, of which €4 million for instalments repayable in the next 12 months;
- a medium-term loan granted in September 2021 by Banca Carige (now Bper Banca) maturing at the end of September 2026 for a nominal €4 million, amortised in quarterly instalments and guaranteed by a pledge on Piaggio shares up to the Value to Loan. This loan provides for a reference rate equal to the Euribor plus one spread and is recognised at amortised cost at the end of June 2023 for €2,637 thousand, of which €796 thousand for instalments repayable in the next 12 months.
- a medium-term loan granted in July 2022 by Banco di Desio e della Brianza maturing in August 2026 for a nominal €5 million, amortised in half-yearly instalments and guaranteed by a pledge on Piaggio shares up to the Value to Loan. This loan provides for a reference rate equal to the Euribor plus one spread and is recognised at amortised cost at the end of June 2023 for €4,377 thousand, of which €1,221 thousand for instalments repayable in the next 12 months.
- a medium-term loan granted in September 2022 by BCC Carate Brianza maturing at the end of September 2026 for a nominal €5 million, amortised in quarterly instalments and guaranteed by a pledge on Piaggio shares up to the Value to Loan. This loan provides for a reference rate equal to the Euribor plus one spread and is recognised at amortised cost at the end of June 2023 for €4,069 thousand, of which €1,233 thousand for instalments repayable in the next 12 months.

In addition, Immsi has a medium-term loan, taken out in October 2022 with Santander Consumer Bank maturing at the end of 2025 for a nominal €15 million, undrawn as of 30 June 2023, and a further €4.6 million relating to a revolving credit line granted by Intesa Sanpaolo S.p.A. and €500 thousand granted by Banca Carige (now Bper Banca), undrawn as of 30 June 2023.

Piaggio group

- a €5,714 thousand medium-term loan from the European Investment Bank to finance Research & Development investments planned for the 2016-2018 period. The loan will mature in December 2023 and has a repayment schedule of 7 fixed-rate annual instalments. The contractual terms envisage loan covenants;
- a €46,615 (nominal value €46,666) medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio group's Italian sites in the 2019-2021 period. The loan will mature in February 2027 and has a repayment schedule of 6 fixed-rate annual instalments. The contractual terms envisage loan covenants;
- a €25,000 thousand 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. The contractual terms envisage loan covenants;
- a €114,374 thousand (nominal value of €115,000 thousand) "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 €20,165 thousand medium-term loan (nominal value of €20,250 thousand) granted by Bper Banca. The loan will fall due on 31 December 2027 and has a repayment schedule of six-monthly instalments;
- a €16,617 loan (nominal value of €16,667) 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. The contractual terms envisage loan covenants;
- a €23,333 thousand 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 maturing on 30 August 2026. It entails a repayment plan with six-monthly instalments and a 12-month grace period. The contractual terms envisage loan covenants;
- a €2,988 thousand (nominal value €3,000 thousand) medium-term loan granted by Banca Popolare di Sondrio with maturity at June 2026 and with a quarterly repayment schedule;
- a medium-term loan of €5,991 thousand (with a nominal value of €6,000 thousand) granted by Cassa di Risparmio di Bolzano, maturing on 30 June 2026 and with a quarterly repayment schedule;
- a medium-term loan of €4,235 thousand (with a nominal value of €4,239 thousand) granted by the former Banca Carige, now Bper Banca, maturing on 31 December 2026 and with a quarterly repayment schedule;
- a medium-term loan of €14,979 thousand (with a nominal value of €15,000 thousand) granted by Oldenburgische Landensbank Aktiengesellschaft maturing on 30 September 2027.

Piaggio & C. S.p.A. also has revolving credit lines and undrawn loans, mainly comprising, as of 30 June 2023:

- a syndicated revolving credit line of €200,000 maturing in January 2024;
- a revolving credit line of €20,000 thousand granted by Banca Intesa San Paolo maturing on 31 January 2024;
- a revolving credit line of €10,000 thousand granted by Banca del Mezzogiorno maturing in July 2026;
- a revolving credit line of €12,500 thousand granted by Bper Banca maturing in August 2026;
- a loan of €60,000 thousand granted by the European Investment Bank with a maturity of 9 years from the disbursement.

All the financial liabilities noted here referred to the Piaggio group are unsecured.

Intermarine S.p.A.

- a loan granted by Intesa Sanpaolo for €12,300 thousand as part of the multi-line credit facility obtained by Immsi S.p.A., guaranteed by a lien on Piaggio shares; this loan falling due at the end of January 2023 has been extended until the end of January 2024;
- a revolving credit line with Intesa Sanpaolo up to a maximum of €18 million, fully drawn as of 30 June 2023, maturing at the end of January 2023 and extended until the end of January 2024; the line is secured by a lien on Piaggio shares;
- a mortgage loan for a residual amount of €4,286 thousand, signed with Bper Bancaat the end of 2018, with a five-year maturity, 18 months of pre-amortisation, repayments in semi-annual instalments, secured by a first mortgage on the Sarzana site for €18 million, an insurance bond and a comfort letter from Immsi for €13 million. The maturity date is set for December 2024;
- financial payables to Banca IFIS for the advance on the Gaeta contract used for €2,232 thousand as of 30 June 2023, with repayment due by the end of June 2024 based on the advances invoiced to the customer. The contract advance line is assisted by a comfort letter from RCN Finanziaria and Immsi;
- financial payables to Banca IFIS for the advance on the Studi Cacciamine contract used for €775 thousand as of 30 June 2023, with repayment due by the end of 31 December 2023 based on the advances invoiced to the customer. The contract advance line is assisted by a comfort letter from Immsi;
- a credit line with Banca IFIS for an advance on a contract for an original amount of €6 million, of which €3,216 thousand drawn as of 30 June 2023, assisted by a comfort letter from Immsi, with repayment in annual instalments by the end of July 2024, through 40% of the value that will be gradually invoiced until the completion of the contract;
- an advance issued by Banca IFIS on a contract for €7.5 million, of which €4 million drawn as of 30 June 2023, assisted by a comfort letter from Immsi, with repayment in annual instalments by the end of June 2025, through 50% of the value that will be gradually invoiced until the completion of the contract;
- amortised loan from Banca IFIS for €3 million undertaken in November 2021 with a maturity of six years and 24 months of pre-amortisation, supported by Immsi's comfort letter;
- a €5million loan granted by Banca Nazionale del Lavoro, for working capital management, of which €3.5 million used as of 30 June 2023, with individual repayments maturing at 180 days, secured by a comfort letter from Immsi;
- a BNL credit line with a credit limit of €4.2 million for advances on invoices, of which €2,879 thousand used as of 30 June 2023, supported by Immsi's comfort letter;
- an unsecured loan granted by former Banca Carige, now Bper Banca, of €5 million, with maturity date at the end of October 2023, with pre-amortisation and monthly repayments starting from May 2021, and a residual value as of 30 June 2023 of €341 thousand. This loan is backed by a comfort letter from Mediocredito Centrale Guarantee Fund and Immsi;
- loans of €2.3 million and €5 million issued on 3 March and 12 April 2022 by Banca Monte dei Paschi di Siena, for site adjustments for the component identified as "Green", maturing at the end of 2028 and the end of March 2029, respectively, with quarterly repayments, secured by a SACE 80% "Green" guarantee and an Immsi 100% surety, and contractual terms that include covenants;
- a 1/2/3 month revolving credit line granted by UniCredit for €1 million, fully drawn at the end of June 2023;
- a loan of €399 thousand issued by Medio Credito Centrale for a research project, maturing at the end of June 2031 with six-monthly repayments starting in December 2023 and with a guarantee pursuant to the Decree of 6 August 2015;

Intermarine has short-term credit lines for cash overdrafts of €1.2 million, and a credit line with Banca IFIS with a ceiling of €6.2 million for advances on invoices, undrawn as of 30 June 2023.

Is Molas S.p.A.

- a loan at a variable rate granted by Monte dei Paschi di Siena in December 2017 maturing at the end of December 5, for €4,750 thousand as of 30 June 2023, with pre-amortisation and subsequent repayment in six-monthly instalments. The contractual terms envisage loan covenants. Following the moratorium request for the Covid-19 emergency, the deadline was extended to the end of June 2024. This loan is assisted by a guarantee issued by Immsi S.p.A.;
- mortgage loan granted in September 2022 by Banca Sella for €8,500 thousand with a maturity of 2039 and a grace period of 24 months. The loan is secured by a first mortgage registered on some structures in the complex including the hotel and club house. In relation to this loan, Immsi S.p.A. acted as guarantor towards Is Molas S.p.A. and provided collateral with a pledge on Piaggio shares.

The item Bonds recognised by the Piaggio group for €246,511 thousand (nominal value equal to €250,000 thousand) refers to the high yield debenture loan issued on 30 April 2018 for €250,000 thousand maturing as of 30 April 2025 and with semi-annual coupon at a 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 Piaggio & C. S.p.A. 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.

Lease liabilities total €28,559 thousand, and break down as follows:

- finance leases for €3,841 thousand (of a nominal value of €3,845 thousand) granted by Albaleasing as a Sale&Lease back on a production site of Piaggio & C. S.p.A. The agreement is for ten years, with quarterly repayments (non-current portion equal to €2,642 thousand);
- a finance lease for €45 thousand granted by VFS Servizi Finanziari for the use of vehicles (the entire current portion);
- financial liabilities for a total of €24,673 thousand (non-current portion of €15,937 thousand) related to future payments of operating lease agreements.

Overall, amounts due to other lenders are equal to €66,226 thousand, nearly entirely falling due within the year. The main components are the following:

- two shareholder loans for €6,000 and €10,402 thousand respectively granted to RCN Finanziaria S.p.A. by Intesa Sanpaolo (shareholder of the company) renewed on June 2019 and repayable within 3 years based on agreements signed between shareholders; at the time of preparing this report, discussions were ongoing between the company and the shareholder Intesa Sanpaolo for the possible renewal of the two above-mentioned loans;
- a shareholders' loan of €30,559 thousand granted by Intesa Sanpaolo S.p.A. (formerly IMI Investimenti S.p.A.), shareholder of the company, to ISM Investimenti S.p.A. This credit line contractually expired at the end of 2018 but not due as it is subordinate, as per the clause included in the contract, to the repayment of the multi-line bank loan granted to ISM Investimenti by Intesa Sanpaolo for €30 million, also by virtue of the co-investment and shareholders' agreement between the shareholders of ISM Investimenti S.p.A., i.e. IMI Investimenti S.p.A. and Immsi S.p.A; With effect from 30 April 2022, in order to ensure future capital stability for ISM Investimenti S.p.A, the shareholders Immsi S.p.A. and Intesa Sanpaolo S.p.A. signed a framework agreement that stops interest accruing on the

shareholder loans granted and on the Immsi credit line as of the aforementioned date, binding ISM Investimenti S.p.A. to pay it in the future if certain liquidity events, specified in the agreement, occur at ISM Investimenti S.p.A. that would imply sufficient funds to fully cover all suspended interest;

- financial advances from factoring companies and banks for trade receivables assigned with recourse, totalled €19,266 thousand and refer to the Piaggio group.

As part of the indebtedness of the Parent Company and its subsidiaries Intermarine S.p.A., ISM Investimenti S.p.A. and Is Molas S.p.A., as of 30 June 2023, Immsi S.p.A. pledged approximately 161.2 million Piaggio shares to guarantee loans and credit lines for a total of €313 million, while a further approximately 18.1 million Piaggio shares are free of encumbrances.

In this regard, it should be noted that the current Piaggio share prices make it possible to confirm the existing guarantees, and therefore compliance with the Guarantee Values.

For a more detailed description of the financial instruments used to hedge these liabilities and of any covenants imposed, reference is made to section P – Information on financial instruments.

- G3 - TRADE PAYABLES AND OTHER PAYABLES **870,108**

Trade payables and other payables amounted to €870,108 thousand (compared to €864,970 thousand as of 31 December 2022), of which €854,378 thousand (€849,367 thousand as of 31 December 2022) due within a year.
The non-current portion, amounting to €15,730 thousand, mainly comprises security deposits and deferred income, while trade and other current payables are detailed below:

In thousands of Euros		
	Balance as of 30.06.2023	***Balance as of 31.12.2022***
Trade payables	756,794	765,778
Deferred income to affiliated companies	36	87
Amounts due to parent companies	320	339
Amounts due to joint ventures	11,755	9,518
Other payables	85,473	73,645
TOTAL	**854,378**	**849,367**

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 2023, the value of trade payables covered by reverse factoring or supply chain financing agreements was equal to €301,744 thousand (€297,231 thousand as of 31 December 2022).

Amounts due to joint ventures as of 30 June 2023 primarily refer to the purchase of vehicles by the Piaggio group from the Chinese joint venture Zongshen Piaggio Foshan Motorcycle Co. Ltd.

The “Other current payables” item is detailed below:

In thousands of Euros	Balance as of 30.06.2023	Balance as of 31.12.2022
Amounts due to employees	41,798	30,425
Liabilities connected to hedging instruments	8,688	3,062
Advances from customers	128	26
Amounts due to company boards	429	878
Amounts due to social security institutions	7,048	10,222
Other amounts due to third parties	493	554
Other amounts due to affiliated companies	0	114
Accrued expenses	8,385	5,491
Deferred income	5,890	4,788
Other payables	12,614	18,085
TOTAL	**85,473**	**73,645**

Amounts due to employees mainly refer to holidays accrued and not taken and other salary components to pay.
The item hedging derivative liabilities refers entirely to the Piaggio group and comprises the fair value of exchange-rate hedging transactions for forecast transactions accounted for according to the cash flow hedge principle (€7,691 thousand) and the fair value of commodity hedging derivatives accounted for according to the cash flow hedge principle (€997 thousand).

Except as noted in the financial liabilities section, there are no other long-term liabilities due in more than five years.

- G4 - PROVISIONS FOR SEVERANCE LIABILITIES AND SIMILAR OBLIGATIONS 27,150

The reserve for pension and similar obligations amounted to €27,150 thousand as of 30 June 2023, a decrease of €973 thousand compared to the figure as of 31 December 2022.

The reserve is detailed below:

In thousands of Euros	Balance as of 31.12.2022	Service cost	Actuarial (gain) loss	Interest cost	Uses and other movements	Balance as of 30.06.2023
Termination benefits	27,352	4,989	(88)	454	(6,347)	26,360
Other funds	771	19	0	0	0	790
TOTAL	**28,123**	**5,008**	**(88)**	**454**	**(6,347)**	**27,150**

The item “Provision for termination benefits” comprises termination benefits for employees of Italian companies belonging to the Immsi Group and includes post-employment benefits identified as defined benefit plans.

The item “Other provisions” is entirely attributable to the Piaggio group and includes i) provisions for personnel made by international companies of the Piaggio group and ii) 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. Uses refer to the payment of benefits already accrued in previous years, while allocations refer to benefits accrued in the period.

The economic / technical assumptions used to discount the value by the companies of the Immsi Group operating in Italy are described below:

- Technical annual discount rate 3.60% - 3.67%;
- Annual inflation rate 2.30%
- Annual rate of increase in termination benefit 3.225%

As regards the discount rate, the iBoxx Corporates AA or iBoxx Corporates A with a duration from 5 a 10+ were considered.
The table below shows the effects, in absolute terms, as of 30 June 2023, which would have occurred following changes in reasonably possible actuarial assumptions:

	Termination benefits provision
In thousands of Euros	
Turnover rate +2%	26,471
Turnover rate -2%	26,208
Inflation rate +0.25%	26,675
Inflation rate - 0.25%	26,020
Discount rate +0.50%	25,836
Discount rate -0.50%	26,868

The average duration of the bond ranges from 6 to 24 years, while future payments estimated in the Group are equal to:

Year	Future amounts
In thousands of Euros	
1	2,287
2	1,559
3	1,406
4	787
5	2,334

Being an actuarial valuation, the results depend on the technical bases adopted such as – among others – the interest rate, the inflation rate and the expected turnover. A variation of these parameters could lead to a significant change in the liability estimated to date: similar impacts may be caused by unexpected changes in other technical bases.
The affiliates operating in Germany and Indonesia have provisions for employees identified as defined benefit plans. Their value outstanding as of 30 June 2023 is €77 thousand and €341 thousand, respectively.

- G5 - OTHER LONG-TERM PROVISIONS 41,430

The balance of other long-term provisions, including the portion falling due within 12 months, totalled €41,430 thousand at the end of June 2022, a €4,969 thousand increase compared to 31 December 2022.
The other provisions recognised in the financial statements are detailed below:

In thousands of Euros	*Balance as of 31.12.2022*	*Allocations*	*Utilisation*	*Others movements*	*Balance as of 30.06.2023*	*of which current*
Provision for product warranties	23,208	7,141	(5,630)	(524)	24,195	15,191
Provisions for risk on investments	17	0	0	0	17	0
Provision for contractual risks	7,012	2,000	0	(17)	8,995	995
Other provisions for risks and charges	6,224	2,727	(714)	(14)	8,223	5,043
TOTAL	**36,461**	**11,868**	**(6,344)**	**(555)**	**41,430**	**21,229**

The Provision for product warranties refers to allocations recognised as of 30 June 2023 by the Piaggio group for €22,585 thousand and by Intermarine S.p.A. for €1,610 thousand for technical warranty operations on products covered by warranties, which are expected to be carried out in the contractual warranty period. As regards – in particular – the forecasts made by the Piaggio group, this period varies according to the type of goods sold and the market, and is also determined by the customer take-up to commit to planned maintenance. With reference to Intermarine S.p.A., the company allocates this reserve for maintenance under warranty to be carried out in the future years on naval vessels under construction, delivered during the year and/or in previous years, determined on the basis of the estimate of costs incurred in the past for similar vessels.

The provision for contractual risks refers mainly to charges which could arise from the supply contracts in place in the Piaggio group.

The other provisions for risks and charges include the reserve for labour disputes and other legal and tax disputes and the reserve for shipbuilding contracts in progress.

- G6 - DEFERRED TAX LIABILITIES **8,830**

The "Deferred tax liabilities" item refers to tax payables provisioned by the individual companies on the basis of applicable national laws. The balance is offset by deferred tax assets of the same type and maturity.
Deferred tax liabilities stood at €6,254 thousand for the Piaggio group, €2,001 thousand for the Parent Company Immsi S.p.A. and €575 thousand for Intermarine S.p.A..

- G7 - CURRENT TAXES **28,930**

The item Current taxes, which includes tax payables allocated in relation to tax charges for individual companies under applicable national laws, increased by €6,439 thousand compared to the end of 2022. A breakdown of this item is given below:

In thousands of Euros	*Balance as of 30.06.2023*	*Balance as of 31.12.2022*
Due for income tax	16,122	13,819
VAT payables	6,947	1,498
Amounts due for withholding tax	3,934	6,396
Amounts due for local taxes	84	227
Other payables	1,843	551
TOTAL	**28,930**	**22,491**

The item in question, which refers for €26,281 thousand to the Piaggio group, which as mentioned mainly comprises tax payables recorded in the financial statements of each consolidated company, allocated in relation to tax charges referring to individual companies on the basis of applicable national laws, whereas amounts due for withholding tax are mainly recorded against withholdings on employee salaries, termination payments and self-employed income.

- H - INFORMATION ON THE MAIN INCOME STATEMENT ITEMS

Amounts are stated in thousands of Euro unless otherwise indicated.

Before analysing the individual item, it is pointed out that the general information on costs and net revenues is contained in the Half-Yearly Financial Report, in accordance with art.2428 of the Italian civil code.

- H1 - NET REVENUES 1,187,439

The Immsi Group's revenues from sales and services as of 30 June 2023 amounted to €1,187,439 thousand (an increase of €109,918 thousand compared to the same period last year, equal to +10.2%). This increase is mainly attributable to the industrial sector which generated revenues of €1,172,048 thousand (+€118,970 thousand or +11.3%); the marine sector reported revenues of €13,843 thousand, down on the same period of the previous year (-€9,050 thousand or -39.5%), while the property and holding sector reported revenues of €1,548 thousand, in line with 30 June 2022.

This item is stated net of premiums given to the customers of the Piaggio group (dealers) and it does not include transport costs recharged to customers by the Piaggio group (€28,549 thousand) and the recovery of advertising costs invoiced by the Piaggio group (€2,888 thousand), which are shown under Other operating income.

Below is a division of the revenues by business sectors and by geographical area of destination, that is, referring to the nationality of the customer.

By business segment

In thousands of Euros	*First half of 2023*		*First half of 2022*	
	Amount	***%***	***Amount***	***%***
Property and holding sector	1,548	0.1%	1,550	0.1%
Industrial sector	1,172,048	98.7%	1,053,078	97.7%
of which Two-Wheeler business	956,140	80.5%	875,828	81.3%
of which Commercial Vehicle business	215,908	18.2%	177,250	16.5%
Marine sector	13,843	1.2%	22,893	2.1%
TOTAL	**1,187,439**	**100.0%**	**1,077,521**	**100.0%**

By geographic segment

In thousands of Euros	*First half of 2023*		*First half of 2022*	
	Amount	***%***	***Amount***	***%***
Italy	215,286	18.1%	188,535	17.5%
Other European countries	484,064	40.8%	434,167	40.3%
Rest of the world	488,089	41.1%	454,819	42.2%
TOTAL	**1,187,439**	**100.0%**	**1,077,521**	**100.0%**

The type of products sold and the sectors in which the Group operates are such that revenues are seasonal (notwithstanding exceptional situations), the first six months being generally more favourable than the second six-month period.

- H2 - COSTS FOR MATERIALS 752,242

At the end of the first half, the cost for materials totalled €752,242 thousand, compared with €688,035 thousand as of 30 June 2022.
The percentage accounting for net revenues as of 30 June 2023 is slightly lower than the same period of the previous year, accounting for 63.3% (63.9% as of 30 June 2022).
In the Piaggio group, the increase as of 30 June 2023 in this item of €744,434 thousand (+€62,290 thousand compared to the same period of the previous year) was due to the increase in production volumes and the cost of raw materials.
The item includes €15,506 thousand (€26,120 thousand in the first half of 2022) for purchases of scooters from the Chinese subsidiary Zongshen Piaggio Foshan, which are sold on European and Asian markets.
The table below details the contents of the item under examination:

In thousands of Euros	*First half of 2023*	*First half of 2022*
Change in inventories of finished products, work in progress and semi-finished products	(7,496)	(53,390)
Purchase of raw materials and consumables	753,765	782,580
Change in raw materials and consumables	5,973	(41,155)
TOTAL	**752,242**	**688,035**

- H3 - COSTS FOR SERVICES, LEASES AND RENTALS 165,512

Costs for services and use of third-party assets totalled €165,512 thousand. This item is broken down as follows:

In thousands of Euros	*First half of 2023*	*First half of 2022*
Transport costs	29,104	30,224
Product warranty costs	1,536	881
Advertising and promotion	25,680	23,388
Outsourced manufacturing	24,604	23,166
External maintenance and cleaning costs	5,708	5,532
Employee costs	8,220	6,818
Technical, legal, tax, administrative consultancy, etc.	13,242	13,425
Promotional materials and activities	111	0
Sundry commercial expenses	4,040	4,168
Energy, telephone, postage costs, etc.	9,808	14,462
Services provided	486	305
Insurance	2,983	2,986
Cost of company boards	2,162	3,220
Sales commissions	547	600
Part-time staff and staff of other companies	1,129	2,035
Bank charges and commission	4,350	3,678
Quality-related events	679	128
Expenses for public relations	1,370	1,642
Expenses for outsourced services	10,332	8,999
Other expenses	10,595	6,252
TOTAL COSTS FOR SERVICES	**156,686**	**151,909**
Rental instalments of business property	8,683	7,974
Lease rentals for motor vehicles, office equipment, etc.	126	92
Other instalments	17	4
TOTAL COSTS FOR LEASES AND RENTALS	**8,826**	**8,070**
TOTAL COSTS FOR SERVICES, LEASES AND RENTALS	**165,512**	**159,979**

- H4 - EMPLOYEE COSTS 150,210

Employee costs are broken down as follows:

In thousands of Euros	First half of 2023	First half of 2022
Salaries and wages	114,183	109,282
Social security contributions	28,273	27,921
Termination benefits	4,989	4,646
Pensions and the like	19	0
Personnel restructuring costs	1,881	376
Other costs	865	901
TOTAL	**150,210**	**143,126**

In the first half of 2023, employee costs went up by €7,084 million (+4.9%) compared to the same period of the previous year.
Under employee costs as of 30 June 2023, €1,881 thousand was recorded for charges related to mobility plans applied to the Piaggio group production sites in Pontedera and Noale.
Average employee numbers were affected by seasonal workers in the summer (on fixed-term employment contracts). The Group effectively hires temporary staff to cover peaks in demand typical of the summer months.

The table below shows the average number of employees by category. For more details on personnel, refer to the specific paragraph in the Half-Yearly Financial Report:

	First half of 2023	First half of 2022
Senior management	126	120
Middle managers and white-collar workers	2,481	2,439
Blue-collar workers	4,086	4,189
TOTAL	**6,693**	**6,748**

- H5 - DEPRECIATION AND IMPAIRMENT COSTS OF PROPERTY, PLANT AND EQUIPMENT 33,933

The depreciation of property, plant and equipment as of 30 June 2023 is summarised below:

In thousands of Euros	First half of 2023	First half of 2022
Depreciation of buildings	7,403	6,140
Depreciation of plant and machinery	11,895	12,132
Depreciation of industrial and commercial equipment	8,511	7,694
Depreciation of assets to be given free of charge	88	159
Depreciation of other assets	6,036	4,462
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	**33,933**	**30,587**

The above item includes depreciation for rights of use in the first half of 2023 equal to €5,907 thousand (€4,982 thousand as of 30 June 2022).

- H6 - AMORTISATION AND IMPAIRMENT COSTS OF FINITE LIFE INTANGIBLE ASSETS 40,973

During the first half of 2023, amortisation of intangible assets with a finite life amounted to €40,973 thousand.

In thousands of Euros	*First half of 2023*	*First half of 2022*
Amortisation of development costs	17,158	15,938
Amortisation of concessions, patents, industrial and similar rights	23,624	21,486
Amortisation of trademarks and licences	33	33
Amortisation of software	52	67
Amortisation of other intangible assets with a finite life	106	63
AMORTISATION OF INTANGIBLE ASSETS	**40,973**	**37,587**

Since 1 January 2004, goodwill has no longer been amortised but has been subjected to impairment tests at least annually: see the note on intangible assets for details of the activities carried out. It should be noted that amortisation of intangible assets did not include any impairment of goodwill in the first six months of 2023 or in the corresponding period of the previous year, as this goodwill was deemed recoverable through future cash flows.

- H7 - OTHER OPERATING INCOME 84,502

The “Other operating income” item comprises:

In thousands of Euros	*First half of 2023*	*First half of 2022*
Gains on the disposal of property, plant and equipment	2,188	166
Sponsorships	2,991	2,842
Grants	3,080	3,144
Recovery of sundry costs	33,669	28,616
Licence rights	1,059	1,552
Sale of materials and sundry equipment	511	836
Insurance settlements	980	404
Increases in fixed assets from internal work	28,880	28,843
Reversal of provisions for risks and other provisions	360	0
Rents received	1,372	1
Other operating income	9,412	12,454
TOTAL	**84,502**	**78,858**

Other operating income increased by €5,644 thousand (or +7.2%) compared with the same period of the previous year, mainly due to the Industrial sector.
The item “Grants” includes €2,163 thousand for government and community grants for research projects and capex, and export subsidies of €645 thousand 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 €1,636 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.

- H8 - NET REVERSALS (IMPAIRMENT) OF TRADE AND OTHER RECEIVABLES (2,262)

As of 30 June 2023 this item amounted to €2,262 thousand for net write-downs and is broken down as follows:

In thousands of Euros		
	First half of 2023	***First half of 2022***
Release of provisions	9	0
Losses on receivables	(63)	(690)
Write-downs of receivables in working capital	(2,208)	(1,286)
TOTAL	**(2,262)**	**(1,976)**

- H9 - OTHER OPERATING COSTS 18,304

The item Other operating costs totalled €18,304 thousand as of 30 June 2023 and comprises the following:

In thousands of Euros		
	First half of 2023	***First half of 2022***
Losses on the disposal of property, plant and equipment	1	2
Duties and taxes not on income	3,325	3,185
Provisions for product warranty	7,141	6,205
Provisions for future and other risks	4,727	1,065
Other operating expense	3,110	3,396
TOTAL	**18,304**	**13,853**

The increase reported in the six-month period are mainly related to higher provisions for risks.

- H10 - INCOME/(LOSS) FROM INVESTMENTS 139

Income from investments originates from the profit attributable to the Group of the joint venture Zongshen Piaggio Foshan Motorcycle Co. Ltd and the associated company Pontedera & Tecnolologia S.c.a.r.l. measured at equity.

- H11 - FINANCIAL INCOME 16,097

Financial income recognised by the Group as of 30 June 2023 is detailed below:

In thousands of Euros		
	First half of 2023	***First half of 2022***
Interest income	1,375	602
Commission receivable	0	157
Exchange gains	14,443	26,156
Other revenues	279	66
TOTAL	**16,097**	**26,981**

The decrease is mainly attributable to the lower contribution of currency management.

- H12 - BORROWING COSTS 46,637

Borrowing costs as of 30 June 2023 are detailed below:

In thousands of Euros	*First half of 2023*	*First half of 2022*
Interest payable on bank loans	17,095	8,857
Interest payable on loans from third parties	4,655	2,046
Interest payable on debenture loans	5,877	5,297
Other interest payable	2,949	2,950
Commissions payable	973	1,012
Exchange losses	15,055	27,803
Financial component of retirement funds and termination benefits	422	132
Financial charges for rights of use	868	665
Other charges	(1,257)	(1,494)
TOTAL	**46,637**	**47,268**

Borrowing costs as of 30 June 2023 were in line with the same period of the previous year due to a reduction in foreign exchange losses offset by a higher cost of debt.
Other costs include the reversal of €1,491 thousand relating to financial charges capitalised on property, plant and equipment and intangible assets by Piaggio.

- H13 - TAXES 31,031

The expected tax expense on the income of companies consolidated with the line by line consolidation method in the financial statements as of 30 June 2023 amounted to €31,031 thousand, with a percentage of income before taxes of 39.7% (43.5% in the first half of 2022).

- H14 - GAIN/(LOSS) FROM ASSETS HELD FOR DISPOSAL OR SALE 0

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

- H15 - GROUP PROFIT (LOSS) FOR THE PERIOD 19,568

Earnings for the period of the Immsi Group were positive amounting to €19,568 thousand, after allocating a profit of €27,505 thousand to non-controlling interests.

- I - COMMITMENTS, RISKS AND GUARANTEES

For main commitments, risks and guarantees, where not specifically updated in these Notes, reference is made to the Notes to the Consolidated Financial Statements as of 31 December 2022 for a general overview of the Group.

- L - TRANSACTIONS WITH RELATED PARTIES

As regards information to be provided on related party transactions of the Group, in accordance with IAS 24 – *Related Parties Disclosures*, related party transactions took place in normal market conditions or as laid down by specific laws. No atypical or unusual transactions were carried out during the period to 30 June 2023. In compliance with Regulation no. 17221 on transactions with Related Parties issued by Consob on 12 March 2010 as amended, the Group adopted a new procedure to regulate procedures to approve related-party transactions, available on the website of the Issuer www.immsi.it, in the section *Governance - Procedures*.
The following table shows the main financial effects of related party transactions and their impact on each financial statement item as of consolidated data of the Immsi Group as of 30 June 2023: the financial effects arising from consolidated intergroup operations were eliminated during consolidation.
For comparative purposes, the following table shows income statement data as of 30 June 2022 and balance sheet data as of 31 December 2022.

Main economic and financial items	Amounts in thousands of Euros 30.06.2023	% accounting for financial statement items	Description of the nature of transactions	Comparable amounts in thousands of Euros
Transactions with Related Parties:				
Current trade payables	*73*	*0.0%*	*Tax advisory services provided by St. Girelli & Ass. to the Group*	*111*
	20	*0.0%*	*Legal advisory services provided to corporate bodies*	*40*
Costs for services, leases and rentals	*85*	*0.1%*	*Tax advisory services provided by St. Girelli & Ass. to the Group*	*98*
	38	*0.0%*	*Legal advisory services provided to corporate bodies*	*136*
Transactions with Parent companies:				
Non-current financial liabilities	*926*	*0.2%*	*Financial liabilities for rights of use on Omniaholding S.p.A. leases*	*852*
Current financial liabilities	*396*	*0.1%*	*Financial liabilities for rights of use on Omniaholding S.p.A. leases*	*368*
Current trade payables	*368*	*0.0%*	*Rental of offices provided by Omniaholding S.p.A. to the Group*	*369*
Costs for services, leases and rentals	*53*	*0.0%*	*Rental of offices provided by Omniaholding S.p.A. to the Group*	*31*
Borrowing costs	*23*	*0.0%*	*Finance costs for rights of use Omniaholding S.p.A. and security loan to Immsi*	*22*
Transactions with Subsidiaries, Affiliated Companies, Joint Ventures:				
Current trade receivables and other receivables	*1,010*	*0.5%*	*Trade receivables from Piaggio Foshan*	*1,003*
Current trade payables	*11,791*	*1.5%*	*Trade payables of Piaggio & C. S.p.A. due to Piaggio Foshan*	*9,544*
Costs for materials	*15,506*	*2.1%*	*Purchases of Piaggio & C. S.p.A. from Piaggio*	*26,120*
Costs for services, leases and rentals	*169*	*0.1%*	*Costs for services from Piaggio Foshan*	*30*
	50	*0.0%*	*Costs for services rendered by Consorzio CTMI*	*50*
Other operating income	*160*	*0.2%*	*Income from Piaggio Foshan*	*232*

Intesa Sanpaolo group, a minority shareholder of RCN Finanziaria S.p.A., ISM Investimenti S.p.A. and Pietra S.r.l. - in liquidation, has shareholder loan agreements in investees and loan and guarantee operations with Intermarine S.p.A..

M - NET FINANCIAL POSITION

The Immsi Group net financial debt as of 30 June 2023 is shown below, compared with corresponding data as of 31 December 2022 and as of 30 June 2022. Further details of the main components are provided in the tables in the Half-Yearly Financial Report and related information below them:

(in thousands of Euros)	*30.06.2023*	*31.12.2022*	*30.06.2022*
Total liquidity	-267,484	-263,577	-251,174
Total current financial debt	458,543	400,096	420,175
Net current financial debt	191,059	136,519	169,001
Non-current financial debt	576,182	595,176	589,256
Net Financial debt	**767,241**	**731,695**	**758,257**

Net debt – analysed below and compared with the same figures as of 31 December 2022 and 30 June 2022 – is shown in accordance with the ESMA guidelines 32-382-1138 of 4 March 2021, adjusted on 30 June 2023 as follows: financial assets and liabilities arising from the assessment at fair value, designated hedging and non-hedging derivative financial instruments, the fair value adjustment of the related hedged items, equal to €0.6 million; payables and accrued interest accrued on bank borrowings for a total of €5.0 million; interest accrued on loans to minority shareholders for a total of €6.3 million. For details, please refer to the Financial Liabilities section in the Notes to the Financial Statements.

- N - DIVIDENDS PAID

As proposed by the Board of Directors on 23 March 2023 and as approved by the Ordinary Shareholders' Meeting on 28 April 2023, the Parent Company Immsi S.p.A. distributed dividends in May 2023 of €0.039 per eligible ordinary share, for a total of €13.3 million. During the first six months of 2022, dividends of €0.03 per ordinary share were distributed, for a total of €10.2 million.

- O - EARNINGS PER SHARE

Earnings per share

Earnings per share are calculated by dividing the consolidated net profit for the period attributable to Parent Company ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. The average number of shares in circulation is calculated by using the principle of retrospectively applying the changes in the number of shares in circulation.

	First half of 2023	*First half of 2022*
Net profit attributable to ordinary shareholders (in thousands of Euro)	19,568	14,723
Average weighted number of shares in circulation during the year	340,530,000	340,530,000
Basic earnings per share	**0.057**	**0.043**

Diluted earning per share

Diluted earnings per share is calculated by dividing the net consolidated profit for the year attributable to Parent Company ordinary shareholders by the average weighted number of shares in circulation during the year, taking account of the diluting effect of potential shares. Excluded from this calculation are any treasury shares held.

The Company has no category of potential ordinary shares as of 30 June 2023, therefore the diluted income per share coincides with the above basic earning per share.

- P - INFORMATION ON FINANCIAL INSTRUMENTS

Below we summarise the information on financial instruments, the risks connected with them, as well as the "sensitivity analysis" in accordance with the requirements of IFRS 7.

Financial assets

The current and non-current financial assets are fully commented upon in Note F5 – *Other financial assets*, which reference is made to.

Financial liabilities

Current and non-current liabilities are fully commented on in Note G2 – *Financial liabilities*, to which reference is made. In this section the debt is divided by type and detailed by maturity.

The main loan agreements entered into by Group companies (fully described in the above-mentioned note), require – in line with market practices for borrowers with a similar credit standing – compliance with:

1) financial covenants based on which the debtor company is committed to meeting certain contractually agreed financial ratios. The most common and significant covenants include the ratio of net financial debt to EBITDA, regarding net debt to shareholders' equity, the covenant regarding the Shareholders' Equity to Assets ratio, and the EBITDA/net borrowing costs, measured on a company and/or consolidated basis according to definitions agreed with the lenders;
2) negative pledges that limit the Company's capacity to establish collateral 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 high yield debenture loan issued by Piaggio in April 2018 provides for compliance with covenants which are typical of international practices on the high yield market. In particular, the company must observe the EBITDA/Net borrowing costs index, based on the threshold established in the Prospectus, to increase financial debt defined during issue. In addition, the Prospectus includes some obligations for the issuer, which limit, inter alia, the capacity to:

1) pay dividends or distribute capital;
2) make some payments;
3) grant collaterals for loans;

4) merge with or establish some companies;
5) sell or transfer own assets.

The measurement of financial covenants and other contract commitments is monitored by the Group on an ongoing basis, in particular, based on results as of 30 June 2023, all covenants had been fully met. The Group does not expect to fail to meet its financial parameters as of 31 December 2023, based on the forecasts available to date.
Given that the analyses were carried out on the basis of estimates and taking into account the current climate of uncertainty on core and financial markets, the various factors used in preparing estimates could be revised in the future.
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. For more details, see the information in Note G2 – *Financial liabilities*.

Lines of credit

As of 30 June 2023 the Immsi Group had irrevocable credit lines up to maturity amounting to €1,275.5 million (€1,317.7 million as of 31 December 2022), details of which are given in the Note G2 – *Financial liabilities*.

Management of financial risks

The financial risks to which the Immsi Group believes to be potentially exposed to are:

- the management of capital and the liquidity risk;
- the exchange risk;
- the interest rate risk; and
- the credit risk.

In the **Piaggio group**, management of these risks is centralised and treasury operations are performed in the sphere of policy and formalised guidelines, valid for all the companies in the Piaggio group.

Capitals management and liquidity risk

The liquidity risk derives from the possibility that available financial resources may not be sufficient to hedge, in the means and times, future disbursements generated by financial and/or commercial bonds.
The **Parent Company Immsi S.p.A.** provides financing for the Group's subsidiaries and/or issues guarantees to facilitate their funding: these operations are regulated under normal market conditions. With particular reference to the **Piaggio group**, to face such a risk, the group companies' cash flows and credit-line needs are monitored and/or managed centrally under the control of the Piaggio group's Treasury Department, in order to guarantee an effective and efficient management of the financial resources as well as optimise the debt's maturity standpoint. Moreover, Piaggio & C. S.p.A. finances the temporary cash requirements of Piaggio group companies by providing direct or indirect short-term loans regulated in market conditions or through guarantees. Between Piaggio & C. S.p.A. and the European subsidiaries of the Piaggio group, there is also an active cash pooling zero balance system that enables the asset and liability balances of the subsidiaries to be reset daily, resulting in more effective and efficient management of liquidity in the Euro area.

For a greater coverage of liquidity risk, as of 30 June 2023 the Immsi Group had unused credit lines available for €530.7 million (€536 million as of 31 December 2022), of which €433.2 million due within 12 months and €97.5 million due after 12 months.
In particular, besides the €30.1 million available to the Parent Company, the Piaggio group had undrawn credit lines irrevocable until maturity of €316.3 million and €175.2 million of revocable credit lines as of 30 June 2023.

In relation to the forecasts drawn up concerning the financial requirements expected for the next 12 months, deriving mainly from investment activities and the management of net working capital, taking into account the credit lines maturing during the year and the financial commitments that the Group has undertaken to meet in order to support the development of its initiatives, the Directors have taken, and will take in the coming months, actions aimed at finding solutions that will guarantee financial balance, including the renewal of short-term credit lines, also taking into consideration the risk of a possible weakness of the stock markets, with possible consequences on the size of credit lines currently granted to the parent company Immsi S.p.A., largely guaranteed by Piaggio shares held by the latter. In this regard, it should be noted that the current share price of the Piaggio stock makes it possible to confirm the guarantees in place for all related loans. Furthermore, as of 30 June 2023, approximately 18.1 million Piaggio shares were unpledged and can therefore potentially be used to obtain new credit lines.

Exchange rate risk management

The Immsi Group operates in an international context where transactions are also conducted in currencies different from the Euro. Foreign exchange hedging contacts are stipulated by companies of the **Piaggio group,** that has a management policy in place 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 conversion into Euro of the financial statements of subsidiaries prepared in currencies other than the Euro during consolidation: the policy adopted by the Piaggio group does not require hedging of this type of exposure;
- 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 relating to the Piaggio group

As of 30 June 2023, the Group had undertaken the following futures operations (recognised based on the settlement date), relative to payables and receivables already recognised to hedge the transaction exchange risk:

Company	Operation	Currency	Amount in currency	Value in local currency (forward exchange rate)	Average maturity
			In thousands	*In thousands*	
Piaggio & C.	Purchase	CAD	1,400	970	31/07/2023
Piaggio & C.	Purchase	CNY	218,000	28,535	02/08/2023
Piaggio & C.	Purchase	JPY	440,000	2,998	11/08/2023
Piaggio & C.	Purchase	SEK	18,000	1,575	15/08/2023
Piaggio & C.	Purchase	USD	63,150	57,865	10/08/2023
Piaggio & C.	Sale	CAD	5,800	3,944	21/08/2023
Piaggio & C.	Sale	CNY	115,000	14,668	01/08/2023
Piaggio & C.	Sale	IDR	11,700,000	711	26/09/2023
Piaggio & C.	Sale	JPY	255,000	1,740	09/08/2023
Piaggio & C.	Sale	USD	52,746	47,948	22/09/2023
Piaggio & C.	Sale	VND	634,600,000	23,692	22/04/2024
Piaggio Vietnam	Sale	JPY	123,288	21,773,106	06/08/2023
Piaggio Vietnam	Sale	USD	75,906	1,782,890,555	06/08/2023
Piaggio Indonesia	Purchase	USD	24,784	370,932,913	27/07/2023
Piaggio Vespa BV	Sale	IDR	29,807,771	1,812	26/09/2023
Piaggio Vespa BV	Sale	SGD	1,150	777	06/07/2023
Piaggio Vespa BV	Sale	VND	364,651,159	13,921	20/12/2023

As of 30 June 2023, the Piaggio group had undertaken the following hedging transactions on the exchange risk:

Company	Operation	Currency	Amount in currency	Value in local currency (forward exchange rate)	Average maturity
			In thousands	*In thousands*	
Piaggio & C.	Sale	USD	58,500	56,639	20/12/2023
Piaggio & C.	Sale	GBP	4,000	4,583	25/09/2023
Piaggio & C.	Purchase	USD	20,000	17,991	15/10/2023
Piaggio & C.	Purchase	INR	4,151,855	43,573	15/03/2025
Piaggio & C.	Purchase	CNY	943,000	128,038	20/03/2024

To hedge the economic exchange risk alone, cash flow hedging is adopted with the effective portion of profits and losses recognised in a specific shareholders’ equity reserve. Fair value is determined based on market quotations provided by main traders. As of 30 June 2023, the total fair value of hedging instruments for exchange risk recognised on a hedge accounting basis was negative at €4,003 thousand. During the first half of 2023, losses were recognised in the Statement of Comprehensive Income for €6,151 thousand, while €1,050 thousand in losses from the Statement of Comprehensive Income were reclassified to profit/loss for the year.

The net balance of cash flows during the first half of 2023 is shown below in the main currencies:

In millions of Euros	Cash flow for the 1st half of 2023
Canadian Dollar	10.4
Pound Sterling	16.2
Swedish Krone	(1.2)
Japanese Yen	(1.8)
US Dollar	79.0
Indian Rupee	(7.5)
Chinese Yuan*	(62.2)
Vietnamese Dong	(122.8)
Singapore Dollar	(9.5)
Indonesian Rupiah	44.9
Total cash flow in foreign currency	**(54.5)**

*cash flow partially in USD

The subsidiary **Intermarine S.p.A.** generally hedges the risks deriving from exchange rate fluctuations through specific operations linked to individual orders that require billing in currencies other than the Euro. As of 30 June 2023, there were no forward sales contracts in place.

In view of the above, a hypothetical 3% appreciation/depreciation of the Euro would generate, respectively, potential profits of €1,585 thousand and losses of €1,683 thousand.

Management of the interest rate risk

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

With reference to the **Piaggio group**, as of 30 June 2023, the following cash flow hedge was in place: An Interest Rate Swap to hedge the variable-rate loan for a nominal amount of €16,667 thousand 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 2023, the fair value of the instrument was positive €695 thousand. The sensitivity analysis of the instrument, assuming a shift in the interest rate curve of 1% upwards and downwards, shows a potential impact on shareholders' equity, net of the related tax effect, of €92 thousand and -€94 thousand, respectively.

Moreover, the Parent Company **Immsi S.p.A.** activated an interest rate swap to change a part of flows for interest on loans with Banco BPM and Bper Banca from a variable to a fixed rate. In the first half of the year, with the same principle as the cash *flow hedge,* net losses were recorded in the Statement of Comprehensive Income for €65 thousand.

Credit risk management

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

In thousands of Euros	*30 June 2023*	*31 December 2022*
Bank funds and securities	267,391	263,506
Financial assets	5,962	3,786
Tax receivables	58,780	55,077
Trade and other receivables	208,835	134,237
Total	***540,968***	***456,606***

In particular, the **Piaggio group** monitors or 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 its own licensee or distributor network. In addition, most trade receivables are short-term. In order to optimise credit management, Piaggio & C. S.p.A. has established revolving programmes with some primary factoring companies for selling its trade receivables without recourse in Europe and the United States.
With reference to the subsidiary **Intermarine S.p.A.**, which in view of the nature of its business can present receivables concentrated among a few customers, it is noted that the most significant customers in quantitative terms are represented by public bodies: moreover, in general production to order requires substantial advance payments by the customer as works progress, thereby reducing the credit risk. To minimise credit risk, Intermarine also signs contracts with major Italian factoring companies for the assignment of trade receivables without recourse.
With reference to the other companies of the Immsi Group, there is currently no significant exposure to credit risk.

Commodity Price Risk

This risk arises from the possibility of changes in company profitability due to fluctuations in commodity prices (specifically platinum and palladium, used mainly by the Piaggio group).
The Piaggio group has set up hedging contracts to neutralise these possible adverse variations deriving from highly probable future transactions by offsetting them with the opposite variations through the hedging instrument; the cash flow hedge accounting principle is applied, with the effective portion of profits and losses recorded in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.
As of 30 June 2023, the total fair value of hedging instruments for commodity price risk recognised on a hedge accounting basis was negative at €987 thousand. During the first half of 2023, losses were recognised in the Statement of Comprehensive Income for €1,025 thousand, while €709 thousand in gains from the Statement of Comprehensive Income were reclassified to profit/loss for the period.

In thousands of Euros	***FAIR VALUE***
Piaggio & C. S.p.A.	
Interest Rate Swap	695
Commodity hedges	(987)
Immsi S.p.A.	
Interest Rate Swap	332
Interest Rate Swap	(10)

Hierarchical fair value valuation levels

IFRS 13 – *Fair value measurement* applies as from 1 January 2013. The Standard 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 that refer to levels 2 and 3 must take into account adjustment factors that measure the risk of failure of both parties: to this end, the principle introduces the concepts of Credit Value Adjustment (CVA) and Debit Value Adjustment (DVA). The CVA allows the inclusion, in the determination of the fair value, of the credit risk of the counterparty, while the DVA reflects the insolvency risk of the Group.

IFRS 7 also requires the fair value of debts recognised on a amortised cost basis to be measured, for disclosure purposes only. The table below shows these values, with reference to the Piaggio group:

	Carrying value	**Carrying amount**	**Fair Value[1]**
In thousands of Euros			
High yield debenture loan	250,000	246,511	247,243
BEI RDI	46,666	46,615	40,964
BEI RDI step-up	25,000	25,000	21,511
Loan from B. Pop. Emilia Romagna	20,250	20,165	19,523
Loan from CDP	23,333	23,333	21,720
Loan from Banco BPM	16,667	16,617	15,609
Loan from Banca CARIGE	4,239	4,235	3,840
Loan from CariBolzano	6,000	5,991	5,622
Loan from B.Pop. Sondrio	3,000	2,988	2,903
Loan from OLB	15,000	14,979	16,089
Schuldschein loans	115,000	114,374	118,419

For the liabilities maturing within 18 months and the other financial liabilities of the Immsi Group, the book value is deemed to be essentially equivalent to the fair value.

The table below shows the assets and liabilities measured at fair value as of 30 June 2023, based on fair value hierarchical levels:

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

In thousands of Euros	*Level 1*	*Level 2*	*Level 3*
			0
Assets measured at fair value	5,947	0	0
Hedging financial derivatives		4,995	0
Investment property		0	0
Other assets		0	16
Total assets	***5,947***	***4,995***	***16***
Liabilities measured at fair value		0	0
Hedging financial derivatives		(8,698)	0
Other liabilities		0	0
Total liabilities	***0***	***(8,698)***	***0***
Balance as of 30 June 2023	***5,947***	***(3,703)***	***16***

Level 1 includes the carrying amount of the investment held by Immsi S.p.A. in Unicredit S.p.A., up by €2,236 thousand compared to 31 December 2022 following an improvement in the share price recorded at the end of June 2023.

Level 2 includes, under assets, the fair value recognised by Piaggio of foreign exchange hedging transactions on forecast transactions accounted for in accordance with the cash flow hedge principle (€3,688 thousand, *current portion),* the *fair value* of an Interest Rate Swap designated as hedging and accounted for in accordance with the *cash flow hedge principle (€417 thousand, non-current portion and €278 thousand, current portion), the fair value of derivative instruments hedging commodities accounted for in accordance with the cash flow hedge principle (€9 thousand, current portion), the fair value of a foreign exchange hedging transaction not recognised in accordance with the cash flow hedge* principle (€271 thousand, current portion) and finally the fair value of the *Interest Rate Swap* designated as hedging recognised by Immsi S.p.A. for €332 thousand.
Liabilities mainly include Piaggio's fair value measurement *of foreign exchange hedging instruments on forecast transactions recognised in accordance with the cash flow hedge principle (€7,691 thousand, current portion) and the fair value* of derivative instruments hedging *commodities recognised* in accordance with the *cash flow hedge principle* (€997 thousand, current portion), as well as €10 thousand relating to the fair value of the *Interest Rate Swap* designated as hedging recognised by Immsi S.p.A..

Lastly, level 3 includes the value of investments held in other minor companies by the Piaggio group.

The following table highlights the changes that occurred during the first half of 2023:

In thousands of Euros	*Level 1*	*Level 2*	*Level 3*
Balance as of 31 December 2022	*3,711*	3,437	*16*
Gain and (loss) recognised in profit or loss		621	*0*
Gain (loss) recognised in the statement of comprehensive income	2,236	(7,761)	0
Increases/(Decreases)	0	0	0
Balance as of 30 June 2023	***5,947***	***(3,703)***	***16***

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND INVESTMENTS AS OF 30 JUNE 2023

Pursuant to Consob Resolution No. 11971 of 14 May 1999 as amended (Art. 126 of the Regulations), a list of Immsi Group companies and its material investments is set out below. The list states the companies, divided according to consolidation procedure.
The following are also shown for each company: the company name, registered office and country of establishment, as well as the share capital in the original currency. The percentages held by IMMSI S.p.A. or other Group companies are also indicated. The percentage of Ordinary Shareholders' Meeting votes is also shown in a separate column, where it differs from the percentage of share capital held.

Company name	Currency	Share Capital (subscribed and paid-up)	% of Share Capital owned	% votes (if different)
LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS ON A LINE-BY-LINE BASIS				
Immsi S.p.A. Mantova (MN) – Italy Parent Company	Euros	178,464,000.00		
Apuliae S.r.l. in liquidation Lecce (LE) – Italy Immsi S.p.A. investment: 85.69%	Euros	220,000.00	85.69%	
ISM Investimenti S.p.A. Mantova (MN) – Italy Immsi S.p.A. investment: 72.64%	Euros	6,654,902.00	72.64%	
Is Molas S.p.A. Pula (CA) – Italy ISM Investimenti S.p.A. investment: 92.59%	Euros	10,398,437.00	92.59%	
Pietra S.r.l. in liquidation * Milan (MI) – Italy Immsi S.p.A. investment: 77.78%	Euros	40,000.00	77.78%	
Immsi Audit S.c.a r.l. Mantova (MN) – Italy Immsi S.p.A. investment: 25.00% Is Molas S.p.A. investment: 25.00% Piaggio & C. S.p.A. investment: 25.00% Intermarine S.p.A. investment: 25.00%	Euros	40,000.00	100.00%	
RCN Finanziaria S.p.A. Mantova (MN) – Italy Immsi S.p.A. investment: 63.18%	Euros	1,000,000.00	63.18%	
Intermarine S.p.A. Sarzana (La Spezia) – Italy RCN Finanziaria S.p.A. investment: 100.00%	Euros	2,060,214.00	100.00%	
Piaggio & C. S.p.A. Pontedera (PI) – Italy Immsi S.p.A. investment: 50.57%	Euros	207,613,944.37	50.57%	
Aprilia Brasil Industria de Motociclos S.A. Manaus – Brazil Aprilia World Service Holding do Brasil Ltda. investment: 51.00%	R$	2,020,000.00	51.00%	
Aprilia Racing S.r.l. Pontedera (PI) – Italy Piaggio & C. S.p.A. investment: 100.00%	Euros	250,000.00	100.00%	
Aprilia World Service Holding do Brasil Ltda. San Paolo – Brazil Piaggio Group Americas Inc. investment: 99.99995%	R$	2,028,780.00	99.99995%	
Foshan Piaggio Vehicles Technology Research & Development Co. Ltd Foshan City – China Piaggio Vespa B.V. investment: 100.00%	RMB	10,500,000.00	100.00%	
Nacional Motor S.A. Barcelona – Spain Piaggio & C. S.p.A. investment: 100.00%	Euros	60,000.00	100.00%	

Company name	Currency	Share Capital (subscribed and paid-up)	% of Share Capital owned	% votes (if different)
Piaggio Asia Pacific PTE Ltd. Singapore – Singapore Piaggio Vespa B.V. investment: 100.00%	SGD	100,000.00	100.00%	
Piaggio Advanced Design Center Corp. Pasadena – USA Piaggio & C. S.p.A. investment: 100.00%	USD	100,000.00	100.00%	
Piaggio China Co. LTD Hong Kong – China Piaggio & C. S.p.A. investment: 100%	USD	12,166,000.00	100.00%	
Piaggio Concept Store Mantova S.r.l. Mantova - Italy Piaggio & C. S.p.A. investment: 100%	Euros	100,000.00	100.00%	
Piaggio Deutschland GmbH Düsseldorf – Germany Piaggio Vespa B.V. investment: 100.00%	Euros	250,000.00	100.00%	
Piaggio España S.L.U. Alcobendas – Spain Piaggio & C. S.p.A. investment: 100.00%	Euros	426,642.00	100.00%	
Piaggio Fast Forward Inc. Boston – USA Piaggio & C. S.p.A. investment: 83.91%	USD	15,135.98	83.91%	
Piaggio France S.A.S. Clichy Cedex – France Piaggio Vespa B.V. investment: 100.00%	Euros	250,000.00	100.00%	
Piaggio Group Americas Inc. New York – USA Piaggio Vespa B.V. investment: 100.00%	USD	2,000.00	100.00%	
Piaggio Group Japan Tokyo – Japan Piaggio Vespa B.V. investment: 100.00%	YEN	99,000,000.00	100.00%	
Piaggio Hellas S.A. Athens – Greece Piaggio Vespa B.V. investment: 100.00%	Euros	1,004,040.00	100.00%	
Piaggio Hrvatska D.o.o. Split – Croatia Piaggio Vespa B.V. investment: 100.00%	HRK	400,000.00	100.00%	
Piaggio Limited Bromley Kent – UK Piaggio Vespa B.V. investment: 99.9996% Piaggio & C. S.p.A. investment: 0.0004%	GBP	250,000.00	100.00%	
Piaggio Vehicles Private Limited Maharashtra – India Piaggio & C. S.p.A. investment: 99.9999971% Piaggio Vespa B.V. investment: 0.0000029%	INR	340,000,000.00	100.00%	
Piaggio Vespa B.V. Breda – Holland Piaggio & C. S.p.A. investment: 100%	Euros	91,000.00	100.00%	
Piaggio Vietnam Co. Ltd. Hanoi – Vietnam Piaggio & C. S.p.A. investment: 63.50% Piaggio Vespa B.V. investment: 36.50%	VND	64,751,000,000.00	100.00%	
PT Piaggio Indonesia Jakarta – Indonesia Piaggio Vespa B.V. investment: 70.71% Piaggio & C. S.p.A. investment: 29.29%	Rupiah	10,254,550,000.00	100.00%	

EQUITY INVESTMENTS IN SUBSIDIARIES, ASSOCIATED AND JOINT CONTROL COMPANIES VALUED USING THE EQUITY METHOD			
Zongshen Piaggio Foshan Motorcycle Co. Ltd. Foshan City – China Piaggio & C. S.p.A. investment: 32.50% Piaggio China Co. Ltd. investment: 12.50%	RMB	255,942,515.00	45.00%
Rodriquez Pietra Ligure S.r.l. Milan (MI) – Italy Intermarine S.p.A. investment: 100.00%	Euros	20,000.00	100.00%
Depuradora d'Aigües de Martorelles S.C.C.L. Barcelona – Spain Nacional Motor S.A. equity investment: 22.00%	Euros	60,101.21	22.00%
Pontedera & Tecnologia S.c.r.l. Pontedera (PI) – Italy Piaggio & C. S.p.A. investment: 22.23%	Euros	469,069.00	22.23%
S.A.T. Societé d'Automobiles et Triporteurs S.A. Tunis – Tunisia Piaggio Vespa B.V. investment: 20.00%	TND	210,000.00	20.00%
EQUITY INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES VALUED USING THE COST METHOD			
Circolo Golf Is Molas S.S.D.A Pula (CA) – Italy Is Molas S.p.A. investment: 100.00%	Euros	10,000.00	100.00%
Consorzio CTMI – Messina Messina (ME) – Italy Intermarine S.p.A. investment: 34.21%	Euros	53,040.00	34.21%
Fondazione Piaggio Pontedera (PI) – Italy Piaggio & C. S.p.A. investment			n/a

* Liquidation meeting held on 27.07.2023

Mantova, 5 September 2023

for the Board of Directors
Chief Executive Officer

Michele Colaninno

Certification of the condensed interim financial statements pursuant to article 154-bis of Legislative Decree 58/98

The undersigned Michele Colaninno, as Chief Executive Officer and Stefano Tenucci, as Executive in Charge of Financial Reporting of Immsi S.p.A., certify, also taking into account provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:

- the appropriateness with regard to the company's characteristics and
- effective application

of the administrative and accounting procedures for the preparation of the condensed interim financial statements in the course of the first half of 2023.

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

In addition, it is certified that the condensed interim financial statements:

- were drawn up in conformity with the applicable international accounting standards recognised by the European Union in accordance with the regulation (CE) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to accounting records;
- are suited to provide a truthful and correct representation of the issuer's assets and liabilities, profit and loss and financial situation, as well as its consolidated subsidiaries.

The Half-Yearly Financial Report includes an analysis of the significant events affecting the Company in the first six months of the current fiscal year and the impact of such events on the Company's condensed interim financial statements as well as a description of the main risks and uncertainties for the second half of the year in addition to an analysis of the information on the significant related party transactions.

5 September 2023

Chief Executive Officer Michele Colaninno	Executive in Charge of Financial Reporting Stefano Tenucci

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REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
IMMSI S.p.A.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of IMMSI S.p.A. and subsidiaries (the “IMMSI Group”), which comprise the consolidated statement of financial position as at June 30, 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholder’s equity, the statement of cash flows for the six month period then ended and the 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 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 IMMSI Group as at June 30, 2023 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, Italy
September 14, 2023

This independent auditor’s report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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