



Board of Directors of Piquadro S.p.A.
Approval of the Draft Financials Statements and the Consolidated
Financial Statements for the Year ended 31 March 2019

- **Consolidated revenues: € 147.5 million (51.1% more than the year ended 31 March 2018);**
- **Same-store sales: € 102.3 million (4.8% more than the year ended 31 March 2018);**
- **EBITDA: (€ 0.83) million;**
- **Adjusted EBITDA: € 12.01 million (11.4% more than the year ended 31 March 2018);**
- **EBIT: € (4.35) million;**
- **Adjusted EBIT: € 8.74 million (11.0% more than the year ended 31 March 2018);**
- **Consolidated net profit: € 34.48 million;**
- **Adjusted Net Profit: € 6.16 million (29.0% more than the year ended 31 March 2018)**
- **Net Financial Position: a positive € 25.6 million** due primarily to the acquisition of the Lancel Group (a negative € 3.7 million at 31 March 2018).
- **Proposed dividend of € 0.08 per share, for a total of € 4.0 million.**

Silla di Gaggio Montano, 10 June 2019 – Piquadro S.p.A., company that designs, produces and markets leather goods, today approved the draft financial statements for the year 1 April 2018-31 March 2019 and the consolidated financial statements for the same period.

The consolidated financial statements closed at 31 March 2019 reported **sales** of € **147.47** million with **an increase of 51.1%** over the previous year (€ 97.63 million). The revenue increase was primarily the result of the consolidation, from June 2018, of **Maison Lancel**, which registered sales of € **45.2 million**, and the positive sales performance of the Piquadro and The Bridge brands.

The **Piquadro brand** reported a **2.6% increase** in sales for the year ended 31 March 2019 versus the previous year; this increase was the result of sales growth in the DOS channel of **4.3%** year-to-year and growth in the Wholesale channel of **1.4%**, representing 58.3% of Piquadro-brand sales.

The **DOS** channel of the Piquadro brand includes also the sales on the Piquadro e-commerce website. Piquadro-brand same-store sales in the DOS channel, i.e. net of sales from stores not present the previous year, registered **1.9% growth** (for the same number of business days and at constant exchange rates, the same-store sales growth - SSSG - showed an increase of **2.5%**).

With reference to **The Bridge brand**, sales for the year ended 31 March 2019 showed **growth of 11.6%** over the previous year; this increase was due to **growth of 14.7%** in the **DOS** channel sales and **10.3%** in the Wholesale channel, which accounts for 68.8% of The Bridge brand sales.

The Bridge DOS channel includes sales on The Bridge e-commerce website, which **increased by 42.4%**. Same store sales on the DOS channel showed **an increase of 4.4%**.

Maison Lancel sales revenue in the period June 2018 – March 2019 totaled € **45.2 million** (46.3% contribution to growth), 82.8% of which came from the DOS channel, which includes the Lancel e-commerce website, in which Maison Lancel operates with 58 direct stores in France, two in Italy, and one each in Spain, Russia and China.



In geographical terms, Group sales for the year ended 31 March 2019 registered **an increase of 7.2%** of sales in the **domestic market**, which accounted for a total of 53.9% of consolidated group sales in the year ended 31 March 2019 (versus 76.0% of consolidated group sales in the year ended 31 March 2018). Without considering increased revenues due to the sale of Lancel-brand products (2.3% of growth in the domestic market), sales for the Piquadro and The Bridge brands **rose 4.9%**.

In the **European market**, the Group reported sales of € 63.4 million, equal to 43.0% of consolidated sales (versus 21.1% of the consolidated sales to 31 March 2018), **with an increase of 207.4%** over fiscal year 2017-2018. Without considering the increase due to sales of Lancel-brand products (equal to 199.8% of growth in the European market), Piquadro and The Bridge-brand sales in the European market **grew by 7.6%**.

In the non-European geographical area (called "Rest of world"), sales increased by 62.9% over FY 2017-18, due primarily to the introduction of Maison Lancel, which contributed 82.3% to growth.

In terms of profitability, the Piquadro Group generated negative **EBITDA** of € **0.83** million for the year ended 31 March 2019 versus € 10.78 million in FY 2017-18. The EBITDA includes the results of Maison Lancel from June 2018 to March 2019 (10 months), a negative € 11.4 million, besides the costs sustained by the Piquadro Group to acquire Maison Lancel, equal to € 1.42 million.

Adjusted EBITDA, defined as the sum of results generated by the Piquadro and The Bridge brands, excluding non-recurring income and expense, was € **12.01 million**, with **11.4%** growth over FY 2017-18.

Group EBIT was € (4.35) million and includes the results of Maison Lancel from June 2018 to March 2019, a negative € 11.7 million in addition to the acquisition costs sustained by the Piquadro Group of € 1.42 million.

Adjusted EBIT, defined as the sum of results generated by the Piquadro and The Bridge brands less non-recurring income and expense, was € **8.7 million**, **11.0%** more than in FY 2017-18.

Group Net Profit for the year ended 31 March 2019 was € **34.48 million**, over € 29.7 million more than FY 2017-18 (€ 4.77 million) and includes the results generated by Maison Lancel from June 2018 to March 2019, a negative € 12.4 million, the acquisition costs sustained by the Piquadro Group of € 1.42 million and € 42.2 in non-recurring income associated with the acquisition of Maison Lancel.

Adjusted Net Profit, defined as the sum of the results generated by the Piquadro and The Bridge brands, less non-recurring income and expense, was € **6.2 million**, **29.0%** greater than the same figure for the year ended 31 March 2018.

The **Net Financial Position** at 31 March 2019 was a positive € **25.6 million**, an improvement of € 29.2 million over the negative Net Financial Position of € 3.65 million at 31 March 2018.

The **Net Financial Position at 31 March 2019**, compared to that at 31 March 2018, improved primarily because of the consolidation of Maison Lancel, particularly the liquidity of € 43.9 million received upon acquisition of Maison Lancel, paid into Lancel by the Richemont Group to cover future losses of the Lancel Group.

The change in Net Financial Position was also affected by the dividend payment of € 3 million, € 4.0 million in investments by the Group, € 12,3 million in free cash flow on a like-for-like period basis, an € 3.4 million increase in working capital, and € 1.42 million in costs related to



the Maison Lancel acquisition by the Piquadro Group, as well € 3.8 million from valuation of the contractual earn-out in favor of the Richemont Group.

*"The results of the first financial statements consolidating Maison Lancel are positive in every respect," commented **Marco Palmieri, chairman and CEO of the Piquadro Group.** "The double-digit increase in adjusted earnings on same-store sales considering the Piquadro and The Bridge brands attests to the excellent performance of the two brands. The Lancel data are beginning to show the early results of the Maison turnaround, which along with recent data on Lancel retail sales for the first two months of the fiscal year, with double-digit growth in same-store sales despite the difficult conditions in France, confirm the organization we have instituted to exploit the extraordinary potential of this brand."*

Results of parent company Piquadro S.p.A.

The parent company generated net sales of **€ 72.79** in the year ended 31 March 2019, **3.2% more than** in the previous year. This growth in sales was the result of the positive performance of both the European and domestic markets (+ 11.1% and + 2.6%, respectively), especially in the DOS channel.

Parent company **EBITDA** reached € 9.37 million was basically in line with that reported in the accounts for FY 2017-18, and represented 12.9% of company revenues for the year ended 31 March 2019 (13.3% for FY 2017-18).

EBIT was € 7.63 million (10.5% of sales revenues versus 10.7% in FY 2017-18).

The **Net Result** of the parent company for the year ended 31 March 2019 was basically in line with that reported in the accounts for FY 2017-18: € 5.2 million versus € 5.4 million for the year ended 31 March 2019.

The **Net financial Position** of the parent company at 31 March 2019, a negative € 12.3 million, was € 5.2 million worse than the indebtedness reported at 31 March 2018 (€ 7.2 million). The change in Net Financial Position at 31 March 2019 was primarily the result of costs related to the Maison Lancel acquisition sustained by Piquadro S.p.A., equal to € 1.42 million, and € 3.8 million associated with valuation of the contractual earn-out in favor of the Richemont Group following the Maison Lancel acquisition. The change in the Net Financial Position was also affected by the free cash flow generated during the year, equal to € 8.2 million, the dividend payment of € 3,0 million, investments of € 1,1 million in fixed, intangible and financial assets, and a € 4.1 million increase in working capital.

Outlook 2019-20

FY 2019-20 will bring a heightened acceleration of the Group's international growth following the Maison Lancel acquisition and the coordination of the Maison within the Group.

Management expects consolidated sales in FY 2019-20 to exceed € 160 million, reflecting same-store sales growth at similar rates to FY 2018-19. In terms of profitability, management is projecting industrial margins in line with the previous year. Management will therefore be heavily committed to carrying forward and completing the turnaround of Maison Lancel in terms of both operating costs and sales, the latter through both direct and indirect distribution channels. Management feels confident that the EBITDA values of the Piquadro Group can be brought into positive territory beginning next year and will also be intensely monitoring the operating performance of the individual brands so as to increase investments in R&D and marketing in an effort to improve the international visibility and awareness of the three brands.

At the next Board of Directors meeting of Piquadro S.p.A., to be held at 11 a.m. on 25 July 2019 at the corporate offices of Piquadro S.p.A. in first call, and at the same time and place on 26 July 2019 in second call, the board will propose the distribution of a dividend of € 0.08 per share, calculated on the shares outstanding at today's date (50,000,000 shares).



The total amount of the dividend will therefore be € 4,0 million. The dividend will be payable from 31 July 2019 (record date 30 July 2019) by detaching coupon no. 12 on 29 July 2019, if the meeting is held on first call, or from 7 August 2019 (record date 6 August 2018) by detaching coupon no. 12 on 5 August 2019.

This press release presents a few alternative indicators to permit a better assessment of the Group's financial and profit performance. These indicators must not be considered in lieu of the convention indicators required by the IFRS. Specifically, the alternative indicator presented is EBITDA, defined as earnings before depreciation and amortization, financial expense and income, and current income taxes. With regard to the financial statement formats contained in this press release, please note that they include data for which the auditing process has not been completed.

Roberto Trotta, the manager responsible for preparation of the company accounting documents of Piquadro S.p.A., pursuant to Article 154-bis(2) of Legislative Decree 58/1998 (TUF), attests that the accounting data for the fiscal year ended 31 March 2019, as contained in this press release, corresponds to the documentary results and accounting books and registers.

The financial statements for the year ended 31 March 2019 are subject to revision and the reports on operations and corporate governance and on the ownership structure are subject to the verification by the independent auditors, now in progress.

Report on Compensation

The Board of Directors today approved the Report on Compensation pursuant to Article 123-ter of the TUF and the implementing directives issued by CONSOB. The Board of Directors also resolved to present and submit to the advisory vote of the shareholders at their next meeting the first section of the Report on Compensation, which illustrates the company policy on the compensation of directors and managers with strategic responsibilities for the fiscal year ending on 31 March 2020, implementing the provisions of Article 123-ter of the TUF.

Report on Corporate Governance

The Board of Directors today also approved the Report on Corporate Governance and ownership structure for the fiscal year ended 31 March 2019, containing information on the company compliance with the Code of Conduct for Listed Companies promoted by Borsa Italiana S.p.A. and the additional information required by current laws and regulations.

Non-financial Declaration

The Board of Directors, in its meeting today, also approved the Non-financial Declaration in conformity with Legislative Decree no. 254/2016 regarding the communication of non-financial information and diversity of companies and large groups. This document constitutes the evidence and commitment of Piquadro to support the development of an increasingly sustainable business that responds to the needs of its stakeholders.

Convocation of the Shareholders Meeting

The Board of Directors meeting today also resolved to convene the general and special shareholders meetings for 25 July 2019, and on 26 July 2019 if a second call is required, to approve the financial statements for the year ended 31 March 2019 and:

- to express an advisory vote on the first section of the Report on Compensation pursuant to Article 123-ter of the TUF;
- deliberate on the appointment of new corporate bodies, since with the approval of the company financial statements for the year ended 31 March 2019 the term of office of the current members of the Board of Directors and Board of Statutory Auditors will expire;
- to deliberate on the proposed authorization to the Board of Directors to acquire and sell treasury shares.



The notice of convocation of the shareholders meeting will be posted by the company on the company website www.piquadro.com on 12 June 2019 pursuant to law and the Bylaws and on the authorized storage facility Spafid Connect S.p.A., accessible at www.emarketstorage.com. An extract of the notice of convocation will be published on 12 June 2019 in the newspaper // *Giornale*.

Appointment of new corporate bodies

The Board of Directors resolved to convene the annual general meeting also to discuss (i) the appointment of new Board of Directors members, after determination of their number and term of office, and determination of their compensation, since the term of office of the current Board of Directors expires on the date of that meeting; and (ii) the appointment of new statutory auditors.

The outgoing Board of Directors and shareholders who alone or with other shareholders own shares representing at least 2.5% of the share capital with voting rights in the annual general meeting are entitled to present lists, as established by CONSOB directive no. 16 of 15 April 2019.

For additional information on the appointment of the Board of Directors and the Board of Statutory Auditors, please see the illustrative report on this point of the agenda prepared by the Board of Directors pursuant to Article 125-ter of the TUF, and made available to the public when and as prescribed by current legislation.

Treasury shares

The principal purpose of the request to renew shareholder authorization to the Board of Directors to purchase and sell company shares is to stabilize the company stock and support liquidity but also to create a pool of shares, if the Board of Directors sees a necessity, for possible use of the shares as a consideration in special transactions, including share swapping, with other parties as part of transactions in the company interest, pursuant to market practice no. 2 set forth in CONSOB Resolution 16839/2009. If approved by the shareholders, the Board of Directors proposal states that the Board of Directors is authorized to purchase treasury shares up to the maximum number legally allowed for a period of 12 months from the date of authorization - i.e. until the general meeting to approve the financial statements for the year ended 31 March 2020 - by utilizing the available reserves shown in the latest duly approved financial statements.

These transactions may be effected in one or more installments by purchasing shares pursuant to Article 144-bis(1,b) of the Issuers Regulation in regulated markets following operating procedures established in the regulations for market organization and operation, which prohibit the direct matching of purchase proposals with predetermined sales transactions.

The purchases may be made with procedures other than those indicated in Article 132(3) of the TUF and other directives applicable at the time of the transaction. The purchase price of the shares chosen shall be determined, in each case, following the procedure selected for the transaction and in compliance with laws, regulations and market practices, within a minimum and maximum determined as follows:

- the minimum purchase price must in no case be less than 20% of the reference price at which the stock was quoted in trading on the day preceding each individual transaction;
- the maximum purchase price must in no case be more than 10% above the reference prices at which the stock was quoted in trading on the day preceding each transaction.

If the treasury shares are purchased in compliance with practices allowed for liquidity support, pursuant to market practice no. 1 of CONSOB Resolution 16839/2009, without violating the additional limits it prescribes, the proposed purchase price may not exceed the higher of the price of the latest independent trade and the current trading purchase price present in the market where the purchase proposals are issued.



The proposal of the Board of Directors also includes authorization to sell any purchased treasury shares, in one or more installments, at the price fixed by the Board of Directors not less than 20% of the minimum reference price at which the stock was traded in trading on the day preceding each transaction.

The authorization to sell is also requested from the shareholders effective on the date of shareholder resolution of 25 July 2019 without time limits.

When treasury shares are sold with permitted practices related to market liquidity support, as set forth in point 1 of CONSOB Resolution 16839/2009, and within the additional limits prescribed therein, the price of the proposed sale must not be less than the lower of the price of the latest independent trade and the lowest current offering price for independent sale in the market where the sale is proposed. The company currently holds no treasury shares; the subsidiaries own no shares in the company.

Board of Statutory Auditors Self-assessment

The Board of Directors has announced that, pursuant to Standard Q.1.1 of the "Standards of Conduct for Boards of Statutory Auditors of Listed Companies prepared by the National Council of Chartered Accountants and Accounting Experts in the version that took effect on 28 April 2018", the Board of Statutory Auditors conducted a self-assessment process referring to the 2018-19 fiscal year. For additional details and the results of this self-assessment, please see paragraph 14 of the Report on Corporate Governance and Ownership Structure, which will be made publicly available when and as required by law.

Documents

The Annual Financial Report (including the report on operations, the draft financial statements, and consolidated financial statements for the year ended 31 March 2019) and the Report on Corporate Governance, will be made publicly available at the registered offices of the company, on the website www.piquadro.com in the Investor Relations section, and at the authorized data storage facility Spafid Connect S.p.A., accessible at www.emarketstorage.com, as required by law.

The Board Report on the request for shareholder approval to purchase and sell company shares will be published with the procedure prescribed by current law—and thus also on the website www.piquadro.com in the Investor Relations section—at the same time as publication of the report on the points of the agenda (Article 125-ter of the TUF) and in any case by the legal deadline. The Report on Compensation required by Article 123-ter of the TUF will be published when and as required by applicable law and will also be available for consultation on the website www.piquadro.com.

Annexes

Balance Sheet, Income Statement, and Statement of Cash Flows, consolidated and for parent company Piquadro S.p.A. The data indicated have not yet been certified and are subject to final verification by the Board of Statutory Auditors of Piquadro S.p.A.

Disclaimer

This press release contains some statements of projection, particularly in the section "Outlook 2019-20". These statements are based on current expectations and projections of the Group relative to future events and are, by their nature, subject to an intrinsic component of uncertainty. These statements refer to events and depend on circumstances that may or may not occur or exist in the future and, as such, cannot be regarded as fully reliable. The actual results may differ from those contained in the statements due to multiple factors, including market volatility and decline, changes in the prices of raw materials and processing, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in laws and regulations and the institutional context in Italy and abroad, and many other factors most of which are outside Group control.



This press release, issued on 10 June 2019, was prepared in compliance with the Issuers Regulation. It is publicly available at Borsa Italiana S.p.A., on the authorized storage facility Spafid Connect S.p.A., accessible at www.emarketstorage.com, and on the company website (www.piquadro.com) in the “Investor Relations” section.

Piquadro Group

The Piquadro Group operates in the sector of leather accessories through the Piquadro, The Bridge and Lancel brands. Cornerstones for the three brands is attention to details and the quality of the workmanship as well as the leather but the Piquadro product stands out for its innovative design and technological content, while The Bridge emphasizes the vintage flavor of Tuscan craftsmanship and finally the Lancel collections embody the Parisian allure of a fashion house founded in 1876. The origins of the Group date back to 1987 when Marco Palmieri, now President and Chief Executive Officer, founded his company near Bologna, where it is still headquartered. The distribution network extends over 50 countries around the world and counts 184 outlets including 100 Piquadro boutiques (64 in Italy and 36 abroad including 57 DOS directly operated stores and 43 franchised stores), 13 The Bridge boutiques (12 in Italy and 1 abroad including 9 DOS directly operated stores and 4 franchised) and 71 Lancel boutiques (58 in France and 13 abroad, of which 63 DOS directly operated stores and 8 franchised).

The Group's consolidated turnover for the year 2018/2019 ended on March 31, 2019 is € 147.5 million and the consolidated net profit amounts to approximately € 34.48 million. Piquadro S.p.A. has been listed on the Italian Stock Exchange since October 2007.

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**Consolidated statement of financial position as at March 31, 2019 and March 31, 2018**

<i>(in thousands of Euro)</i>	March 31, 2019	March 31, 2018
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	3,283	3,887
Goodwill	4,658	4,658
Property, plant and equipment	13,206	11,115
Investments	22	2
Receivables from others	2,252	707
Deferred tax assets	2,448	2,318
TOTAL NON-CURRENT ASSETS	25,869	22,687
CURRENT ASSETS		
Inventories	35,820	22,027
Trade receivables	34,543	27,618
Others current assets	5,331	3,326
Derivative assets	78	0
Tax receivables	1,690	275
Cash and cash equivalents	52,346	23,552
TOTAL CURRENT ASSETS	129,808	76,798
TOTAL ASSETS	155,677	99,485

**Consolidated statement of financial position as at March 31, 2018 and March 31, 2018**

<i>(in thousands of Euro)</i>	March 31, 2019	March 31, 2018
LIABILITIES		
EQUITY		
Share Capital	1,000	1,000
Share premium reserve	1,000	1,000
Other reserves	2,041	415
Retained earnings	35,159	33,319
Group profit for the period	34,534	4,840
Total equity attributable to the Group	73,734	40,574
Capital and Reserves attributable to minority interests	(207)	(124)
Profit/(loss) for the period attributable to minority interests	(59)	(67)
Total share attributable to minority interests	(266)	(191)
TOTAL EQUITY	73,468	40,383
NON-CURRENT LIABILITIES		
Borrowings	13,598	11,128
Payables to other lenders for lease agreements	0	12
Other non current liabilities	7,024	1,838
Provision for employee benefits	3,977	1,885
Provision for risk and chargers	2,824	2,197
Deferred tax liabilities	0	0
TOTAL NON-CURRENT LIABILITIES	27,423	17,060
CURRENT LIABILITIES		
Borrowings	7,351	12,345
Payables to other lenders for lease agreements	12	904
Derivative liabilities	6	159
Trade Payables	36,219	22,149
Other current liabilities	8,914	4,052
Tax payables	2,284	2,433
TOTAL CURRENT LIABILITIES	54,786	42,042
TOTAL LIABILITIES	82,209	59,102
TOTAL EQUITY AND LIABILITIES	155,677	99,485

**Consolidated income statement for the period ended March 31, 2019 and March 31, 2018**

<i>(in thousands of Euro)</i>	Twelve months as of March 31, 2019	Twelve months as of March 31, 2018
REVENUES		
Revenues from sales	147,472	97,627
Other income	1,734	1,259
TOTAL REVENUES (A)	149,206	98,886
OPERATING COSTS		
Change in inventories	(328)	(3,248)
Costs for purchases	40,107	26,981
Costs for services and leases and rental	70,390	42,401
Personnel costs	38,590	20,592
Amortization, depreciation and write-downs	4,462	3,754
Other operating costs	336	535
TOTAL OPERATING COSTS (B)	153,557	91,015
OPERATING PROFIT (A-B)	(4,351)	7,871
FINANCIAL INCOME AND COSTS		
Financial income	1,385	812
Non-recurring income from acquisition of Lancel Group	42,176	
Financial costs	(2,129)	(1,678)
TOTAL FINANCIAL INCOME AND COSTS	41,432	(866)
RESULT BEFORE TAX	37,081	7,006
Income tax	(2,605)	(2,233)
PROFIT FOR THE PERIOD	34,476	4,773
attributable to:		
EQUITY HOLDERS OF THE COMPANY	34,535	4,840
MINORITY INTERESTS	(59)	(67)
(Basic) EARNING PER SHARE	0,690	0,095

**Consolidated cash flow statement as at March 31, 2019 and March 31, 2018**

(in thousands of Euro)	March 31, 2019	March 31, 2018
Profit before tax	37,081	7,006
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	2,970	2,746
Write-downs of property, plant and equipment and intangible assets	553	405
Provision for bad debts	938	843
Non-recurring income from acquisition of Lancel Group	(42,176)	0
Net financial costs/(income), including foreign exchange differences	744	866
Cash flow from operating activities before changes in working capital	111	11,865
Change in trade receivables (net of the provision)	(5,435)	(714)
Change in inventories	(750)	(3,036)
Change in other current assets	934	212
Change in trade payables	2,399	1,254
Change in provisions for risks and charges	202	227
Change in other current liabilities	725	655
Change in tax receivables/payables	385	147
Cash flow from operating activities after changes in working capital	(1,430)	10,611
Taxes paid	(2,769)	(2,365)
Interest paid	(744)	(214)
Cash flow generated from operating activities (A)	(4,942)	8,031
Cash and cash equivalents acquired net of purchase price of Maison Lancel	43,817	0
Investments in intangible assets	(869)	(490)
Disinvestments from intangible assets	80	0
Investments in tangible assets	(4,285)	(1,213)
Disinvestments from property, plant and equipment	64	17
Investments in investments	(20)	0
Changes generated from investing activities (B)	38,787	(1,687)
Financing activities		
Change in short-and medium/long-term borrowings	(2,524)	3,810
- New loans	10,000	10,164
- Other variations	(12,524)	(6,354)
Changes in financial instruments	(64)	148
Lease instalments paid	(904)	(691)
Change in the translation reserve	1,502	484
Other minor changes	(60)	168
Dividends paid	(3,000)	(2,000)
Cash flow generated from/(absorbed by) financing activities (C)	(5,050)	1,920
Net increase (decrease) in cash and cash equivalents (A+B+C)	28,794	8,264
Cash and cash equivalents at the beginning of the period	23,552	15,288
Cash and cash equivalents at the end of the period	52,346	23,552

**Separate statement of financial position of Piquadro S,p,A, as at March 31,
2019 and March 31, 2018**

<i>(in Euro units)</i>	March 31, 2019	March 31, 2018
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	1,334,288	1,596,610
Property, plant and equipment	8,274,687	8,701,738
Financial assets	14,054,807	9,730,171
Receivables from others	367,942	303,730
Receivables group company	8,325,000	7,325,000
Deferred tax assets	1,044,730	1,000,886
TOTAL NON-CURRENT ASSETS	33,401,454	28,658,135
CURRENT ASSETS		
Inventories	13,490,543	12,501,126
Trade receivables	22,756,103	20,952,539
Receivables due from group companies	7,307,309	4,868,429
Others current assets	1,224,049	2,075,540
Receivables for derivative financial instruments	77,933	0
Tax receivables	145,710	16,588
Cash and cash equivalents	14,041,399	19,546,335
TOTAL CURRENT ASSETS	59,043,046	59,960,557
TOTAL ASSETS	92,444,500	88,618,692

**Separate statement of financial position of Piquadro S,p,A, as at March 31,
2019 and March 31, 2018**

<i>(in Euro units)</i>	March 31, 2019	March 31, 2018
LIABILITIES		
EQUITY		
Share Capital	1,000,000	1,000,000
Share premium reserve	1,000,000	1,000,000
Other reserves	1,289,713	1,127,721
Retained earnings	33,979,142	31,701,562
Group profit for the exercise	5,427,912	5,277,580
EQUITY	42,696,767	40,106,863
NON-CURRENT LIABILITIES		
Borrowings	14,598,304	11,127,644
Payables to other lenders for lease agreements	0	0
Other non current liabilities	4,817,701	1,631,464
Provision for employee benefits	294,403	268,452
Provision for risk and chargers	1,380,174	1,266,601
TOTAL NON-CURRENT LIABILITIES	21,090,582	14,294,161
CURRENT LIABILITIES		
Borrowings	6,173,888	12,176,353
Payables to other lenders for lease agreements	0	830,475
Trade Payables	13,419,833	13,362,033
Payables due to group companies	4,042,790	2,839,639
Payables for derivative financial instruments	5,524	158,972
Other current liabilities	2,819,282	2,610,913
Current income tax liabilities	2,195,834	2,239,283
TOTAL CURRENT LIABILITIES	28,657,151	34,217,668
TOTAL LIABILITIES	49,747,733	48,511,829
TOTAL EQUITY AND LIABILITIES	92,444,500	88,618,692

**Separate income statement of Piquadro S,p,A, for the period ended March 31, 2019
and March 31, 2018**

<i>(in Euro units)</i>	Twelve months as of March 31, 2019	Twelve months as of March 31, 2018
REVENUES		
Revenues from sales	72,791,815	70,504,532
Other income	2,445,376	1,033,085
TOTAL REVENUES (A)	75,237,191	71,537,617
OPERATING COSTS		
Change in inventories	(989,417)	(1,082,418)
Costs for purchases	22,782,188	22,110,254
Costs for services and leases and rental	29,819,686	28,655,954
Personnel costs	12,630,170	11,810,556
Amortisation, depreciation and write-downs	2,919,630	2,389,388
Other operating costs	264,726	295,803
TOTAL OPERATING COSTS (B)	67,426,983	64,179,537
OPERATING PROFIT (A-B)	7,810,208	7,358,080
FINANCIAL INCOME AND CHARGES		
Earning (losses) from Financial assets	(175,290)	220,488
Financial income	1,050,995	987,429
Financial charges	(591,475)	(1,319,482)
TOTAL FINANCIAL INCOME AND CHARGES	284,230	(111,565)
PRE-TAX RESULT	8,094,438	7,246,515
Income tax expenses	(2,666,526)	(1,968,935)
PROFIT FOR THE PERIOD	5,427,912	5,277,580

**Piquadro S.p.A, cash flow statement as at March 31, 2019 and March 31, 2018**

(in thousands of Euro)	March 31, 2019	March 31, 2018
Pre-tax profit	8,094	7,247
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	1,734	1,790
Write off tangible and intangible assets	0	0
Other provisions	0	269
Provision for bad debts	1,186	600
revaluation of equity investments	174	(542)
Adjustment to the provision for employee benefits	4	0
Dividends received	0	(365)
Net financial charges (income), including exchange rate differences	(460)	332
Cash flow from operating activities before changes in working capital	10,734	9,331
Change in trade receivables (net of the provision)	(2,990)	(14)
Change in trade receivables (group companies)	(3,439)	1,599
Change in inventories	(989)	(1,082)
Change in other current assets	787	284
Change in trade payables	58	(1,426)
Change in trade payables (group companies)	1,203	(2,447)
Change in provisions for risks and charges	128	(155)
Change in other current liabilities	3,395	1,098
Change in tax receivables/payables	(173)	1,479
Cash flow from operating activities after changes in working capital	8,714	8,667
Payment of taxes	(2,775)	(2,137)
Interest paid	460	(332)
Cash flow generated from operating activities (A)	6,399	6,198
Investments in intangible assets	(197)	(211)
Investments in property, plant and equipment	(888)	(730)
Disinvestments in property, plant and equipment	40	32
Investments in financial assets	(20)	(506)
Disinvestments in financial assets	0	0
Dividends received	0	365
Investments for Lancel International acquisition	(5,292)	0
Changes generated from investing activities (B)	(5,473)	(1,050)
Financing activities		
Repayment and registering of borrowings	(2,532)	3,801
- New loans	(10,000)	(7,500)
- Other variations	7,468	11,301
Changes in derivative financial instruments	(69)	(148)
Lease instalments paid	(830)	(600)
Other movements	0	(1)
Payment of dividends	(3,000)	(2,000)
Cash flow generated from/(absorbed by) financing activities (C)	(6,432)	1,052
Net increase (decrease) in cash and cash equivalents (A+B+C)	(5,505)	6,200
Cash and cash equivalents at the beginning of the period	19,546	13,346
Cash and cash equivalents at the end of the period	14,041	19,546