HALF-YEARLY CONSOLIDATED FINANCIAL REPORT AT 30 SEPTEMBER 2023

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Corporate details

Piquadro S.p.A.

Registered office: località Sassuriano, 246 - 40041 Silla di Gaggio Montano (Province of Bologna - BO)

Subscribed and paid-up share capital: Euro 1,000,000

Bologna Register of Companies, Fiscal Code and VAT no. 02554531208

PIQUADRO

Introduction

The half-yearly consolidated financial report at 30 September 2023 (the "Report") was prepared in compliance with article 154-*ter* of Legislative Decree no. 58/1998, as amended, as well as with the Issuers' Regulation issued by CONSOB (*Commissione Nazionale per le Società e la Borsa,* Italian Securities and Exchange Commission).
This half-yearly report on operations, prepared by the Directors, relates to the attached half-yearly condensed consolidated financial statements of Piquadro S.p.A. (hereinafter also referred to as the "Company" or the "Parent Company") and of its subsidiaries ("Piquadro Group" or the "Group") relating to the half-year ended 30 September 2023. The financial statements were prepared in compliance with IAS/IFRS (International Accounting Standards and International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and were prepared according to the provisions under IAS 34, "Interim financial reporting". The half-yearly report on operations must therefore be read together with the Financial Statements and the related Notes.

It should be noted that this half-yearly report on operations provides, in addition to the indicators required by the financial statements' schedules in accordance with the IFRS, some alternative performance indicators (*"API"*) are also set out in line with the previous period, which are used by the Management to monitor and assess the Group's performance and are defined in a specific paragraph. Specifically, following the first-time adoption of the accounting standard IFRS 16 on the accounting treatment of leases from 1 April 2019, there was the introduction of some adjusted performance indicators with reference to EBITDA, EBIT and the Net Financial Position, in order to make the data at 30 September 2023 comparable to those posted in previous periods, as detailed in the paragraph on the "Summary economic-financial data and alternative performance indicators."

Except as otherwise indicated, the amounts entered in this Report are shown in thousands of Euro, in order to facilitate its reading and to improve its clarity.

CORPORATE BODIES HOLDING OFFICE AT 30 SEPTEMBER 2023

- **BOARD OF DIRECTORS**
  (holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements at 31 March 2025)

Marco Palmieri	*Chairman and CEO*
Roberto Trotta	*Managing director*
Pierpaolo Palmieri	*Managing director*
Francesco Giovagnoni	*Managing director*
Catia Cesari	*Independent non-executive director*
Barbara Falcomer	*Independent non-executive director*
Valentina Beatrice Manfredi	*Independent non-executive director*

- **LEAD INDEPENDENT DIRECTOR**
  Catia Cesari

- **AUDIT AND RISK COMMITTEE**
  (holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements at 31 March 2025)

Barbara Falcomer	*Chairman*
Catia Cesari	*Independent non-executive director*
Valentina Beatrice Manfredi	*Independent non-executive director*

- **REMUNERATION COMMITTEE**
  (holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements at 31 March 2025)

Catia Cesari	*Chairman*
Barbara Falcomer	*Independent non-executive director*
Valentina Beatrice Manfredi	*Independent non-executive director*

- **BOARD OF STATUTORY AUDITORS**
  (holding office until the approval of the financial statements at 31 March 2025)

Standing auditors

Patrizia Lucia Maria Riva	*Chairman*
Giuseppe Fredella	*Standing Auditor*
Maria Stefania Sala	*Standing Auditor*

Alternate auditors
Giacomo Passaniti
Roberto Scialdone

- **INDEPENDENT AUDITORS**
  (holding office for nine years until the approval of the financial statements at 31 March 2025)

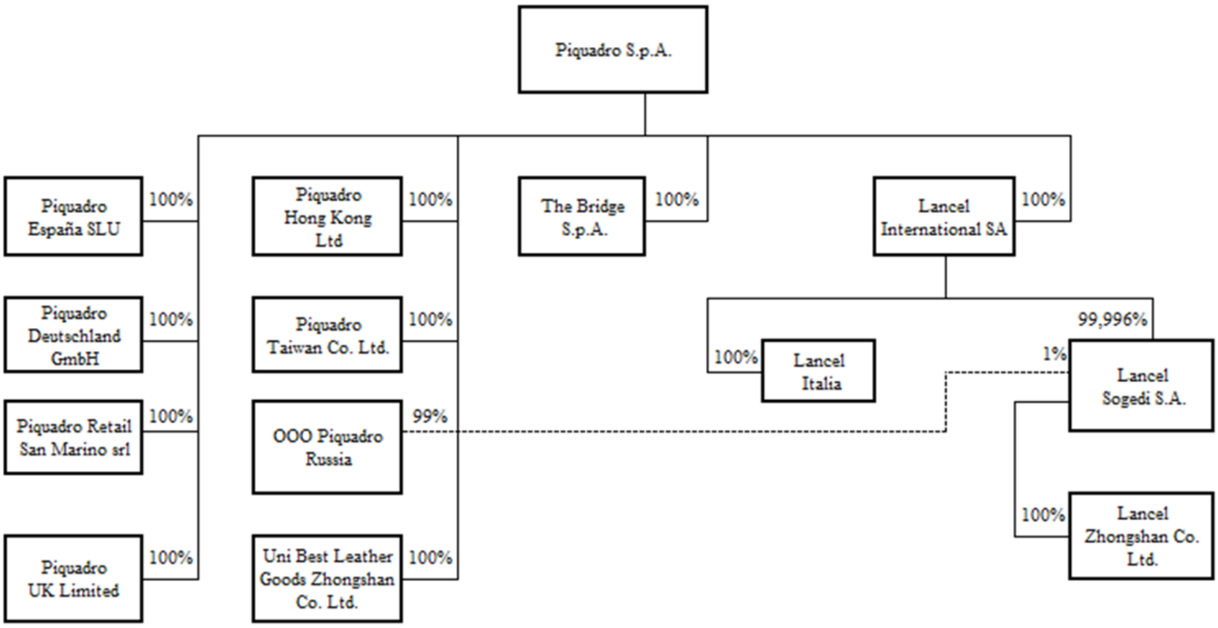
  Deloitte & Touche S.p.A.

- **FINANCIAL REPORTING MANAGER**
  Roberto Trotta

- **SUPERVISORY BOARD**
  Gerardo Diamanti

THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group at 30 September 2023:



HALF-YEARLY REPORT ON OPERATIONS AT 30 SEPTEMBER 2023

Significant events for the half-year ended 30 September 2023

On 20 July 2023 the Shareholders' Meeting of Piquadro S.p.A. approved the Financial Statements at 31 March 2023 and the distribution of a unit dividend of Euro 0.104115 to its shareholders, for a total amount of about Euro 5 million, while taking account of the outstanding Piquadro ordinary shares equal to 48,023,522 and of 1,976,478 treasury shares equal to 3.9530% of its share capital held by Piquadro at the reporting date. The dividend was paid from 2 August 2023, with detachment of coupon no. 14 on 31 July 2023.

The ordinary shareholders' meeting also approved the Remuneration Report that describes the Company's Policy governing the remuneration due to Directors, Board of Statutory Auditors' members and key Management members for the financial year that will end on 31 March 2024, in the implementation of the provisions of Article 123-*ter*, paragraphs no.3-*bis* and 6, of the TUF (*Testo Unico della Finanza*, Consolidated Act on Finance), and the fees paid in accordance with the aforesaid Article 123-*ter*, paragraph 4, of the TUF.

The shareholders' meeting passed a resolution to authorise, until the approval of the financial statements at 31 March 2024, the purchase of the Company's ordinary shares, in one or more tranches, up to the maximum number permitted by law, having regard to treasury shares held directly and to those held by subsidiaries.
The purchases may be made, according to Article 2357, paragraph 1, of the Italian Civil Code, within the limits of distributable profits and available reserves resulting from the most recent financial statements as duly approved, with a consequent reduction in equity, pursuant to Article 2357-*ter*, paragraph 3, of the Italian Civil Code, in the same amount, through the recognition of a specific item with a negative sign among balance sheet liabilities. The purchase, sale, exchange or contribution of shares shall be accompanied by any appropriate accounting record in compliance with the provisions of law and applicable accounting standards. In cases of sale, exchange or contribution, the corresponding amount may be reused for additional purchases, until the expiry of the time limit set out for the authorisation given by the Shareholders' Meeting, without prejudice to any quantitative and expenditure limits, as well as to the terms and conditions laid down by the Shareholders' Meeting.

The purchase price of the shares shall be determined from time to time, having regard to the methods selected to carry out the transaction and in accordance with legislative, regulatory provisions or permitted market practices, within a minimum and maximum limits that can be determined according to the following criteria:

> (i) in any case the minimum consideration for the purchase shall not be less, by 20%, than the reference price that the stock shall have recorded on the trading day prior to every individual transaction;
> (ii) in any case, the maximum consideration for the purchase shall not be higher, by 10%, than the reference price that the stock shall have recorded on the trading day prior to every individual transaction.

Should the purchase of treasury shares be made within the scope of any market practice referred to in CONSOB resolution no. 16839/2009, the purchase price set for any proposed trading shall not exceed the higher of the price set for the most recent independent transaction and the current purchase price of the highest independent proposed trading in the market in which proposed purchases are launched, without prejudice to any additional limit set out in the resolution itself.

The abovementioned transactions shall be carried out, on one or more occasions, by purchasing shares, pursuant to Article 144-*bis*, paragraph l, letter b, of the Issuers' Regulation, on regulated markets or multilateral trading systems, which do not allow any direct matching of proposed purchase trading with predetermined proposed sales trading, according to operating procedures set out in the regulations governing the organisation and operation of the markets themselves, in compliance with Article 2357 and ff. of the Italian Civil Code, the equality of treatment of shareholders and any applicable legislation, including regulatory provisions, in force, including the principles referred to in Article 132 of the TUF, as well as with Regulation (EU) no. 596/2014 of 16 April 2014 ad related implementing provisions, if applicable. The purchases may take place according to procedures other than those specified above pursuant to Article 132, paragraph 3, of Legislative Decree no. 58/1998 or any other provision applicable from time to time on the day of the transaction;

The shareholders' meeting also approved, without time limits, pursuant to and for the purposes of Article 2357-*ter* of the Italian Civil Code, the transaction to dispose, on one or more occasions, of any share that has been purchased according to this resolution or that in any case is already held in the Company's portfolio even well before having

reached the maximum amount of shares that can be purchased, and any possible repurchase of the shares themselves to the extent that the treasury shares held by the Company do not exceed the limit set out in the authorisation.
The consideration for any sale of treasury shares, which will be set by the Board of Directors, with the right of sub-delegating powers to one or more Directors, may not be less by 20% at least, than the reference price that the stock shall have recorded on the trading day prior to every individual transaction.

Should the sale of treasury shares be carried out within the scope of the permitted market practices referred to above, without prejudice to any additional limit set out in CONSOB resolution no. 16839/2009, the sales price of any proposed trading shall not be less than the lower of the price of the most recent independent transaction and the current sales price of the lowest independent proposed trading in the market in which proposed sales are launched. Should the treasury shares be the object of trading, exchange, contribution or any other act of non-cash disposition, the financial terms and conditions of the transaction shall be laid down based on its nature and features, while taking account of the market performance of the Piquadro S.p.A. stock.

The disposition of shares may take place according to such procedures as may be considered to be the most appropriate in the interest of the Company, and in any case in compliance with the applicable regulations and permitted market practices; and (c) to grant the Board of Directors and, through the same, any Managing Director, jointly and severally between them, the amplest powers required for the actual and full execution of the resolutions referred to in the points above in compliance with the provisions laid down in Article 132 of the TUF and the disclosure obligations referred to in Article 144-*bis*, paragraph 3, of the Issuers' Regulation and, if required, the disclosure obligations required by the abovementioned market practices and by Regulation (EU) no. 596/2014 of 16 April 2014 and related implementing provisions, if applicable, with the right to proceed with the purchase and disposition of treasury shares, within the limits of the provisions laid down above, including through specialist intermediaries, also pursuant to and for the purposes of the abovementioned market practice governing operations in support of liquidity permitted by CONSOB under resolution no. 16839 of 19 March 2009 and pursuant to Regulation (EU) no. 596/2014 of 16 April 2014 and related implementing provisions, if applicable.

The Shareholders' Meeting also approved a new Incentive Plan as 2023-2027 Stock Grant Plan, which may result in the awarding of Piquadro S.p.A. treasury shares - deriving from purchases made in implementation of previously approved share buyback plans by the Company and/or shares purchased on the market - up to a total maximum number of 2 million shares.
This incentive plan has not yet been allocated to the recipients. For this reason, the relevant accounting reflections have not yet been recorded in the financial statements.

As at 23 November 2023, Piquadro S.p.A. held 2,305,916 treasury shares, equal to 4.6118% of the share capital, while its subsidiaries did not hold any share in the Parent Company.

The invasion of Ukraine by the Russian Federation, which commenced in February 2022, triggered a series of consequences in economic and financial terms worldwide. Since the first months, this conflict, which is still ongoing, has been causing high volatility, even in terms of currencies, which has only partly been offset, and has entailed the issuing of targeted restrictive sanctions (individual sanctions against individuals), economic sanctions and diplomatic measures against the Russian Federation by the United States of America, the United Kingdom and the European Union. Among economic sanctions are those regarding the export of luxury goods, in response to which the Piquadro Group suspended logistics and invoicing operations to the Russian subsidiary in the early stages of the invasion, both towards DOSs and towards Russian multi-brand customers, which were then regularly resumed, since the scope of these sanctions had not restricted the Group's export activities. It is specified that the Group has no suppliers of goods in Russia and Ukraine.
The effects for the Piquadro Group resulting from the conflict include, first and foremost, the direct impact resulting from the exchange rate trends, to which the Piquadro Group responded by raising its selling prices to the public in Russia as from the first months of the conflict. Nevertheless, sales of Piquadro Group products were not significantly affected by this situation at DOSs in terms of sales volumes.
Among indirect impacts are still high levels of inflation, reverberating on consumer products and consequently affecting GDP growth and the spending capacity of the population.

During the first half of the 2023/2024 financial period, the Piquadro Group continued its sales to wholesale customers in the Russian Federation, while also keeping all directly-operated retail stores open. As at 30 September 2023 the Piquadro Group's sales in Russia accounted for 2.3% of consolidated turnover (2.75% at 31 March 2023 and 4.4% at 30 September 2022).

As at the same date, the assets held by the Group in Russia amounted to about Euro 3.2 million, mainly relating to (*i*) rights of use pertaining to points of sales (Euro 1.1 million), (*ii*) inventories (Euro 1.1 million), (*iii*) cash and cash equivalents (Euro 0.5 million), *(iv)* receivables (Euro 0.2 million), (*v*) property, plant and equipment (Euro 0.1 million), and (*vi*) non-current financial assets (Euro 0.2 million). On the basis of the information available to date, the recoverability of the aforesaid values does not show any critical issue, subject to normal uncertainty regarding the evolution of the situation.

In relation to the volatility of this scenario, the company Management is continuing to monitor the situation in order to safeguard the Piquadro Group's assets, wealth and business continuity, while taking any necessary measure to ensure that its activities are carried out in accordance with applicable regulations.

Summary economic-financial data and alternative performance indicators

The Piquadro Group uses the alternative performance indicators (APIs) in order to provide information on the performance of profitability of the business in which it operates, as well as on its own financial position and results of operations, in a more effective manner. In accordance with the guidelines published by the European Securities and Markets Authority (ESMA/2015/1415) on 5 October 2015 and consistently with the CONSOB notice no. 92543 of 3 December 2015, the content and the criterion to determine the APIs used in these financial statements are described below:

a) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation, or Gross Operating Margin) is an economic indicator that is not defined by the International Accounting Standards. EBITDA is a unit of measurement utilised by the Management to monitor and assess the Group’s operational performance. The Management believes that EBITDA is an important parameter for the measurement of the Group’s performance, as it is not affected by the volatility due to the effects of the various criteria for the determination of taxable income, by the amount and characteristics of the capital employed, as well as by the amortisation and depreciation policies. EBITDA is defined as the earnings for the period before depreciation and impairment of property, plant and equipment and amortisation of intangible assets, financial income and charges and the income taxes for the period.
b) Adjusted EBITDA is defined as EBITDA, excluding the effects arising from the adoption of IFRS 16.
c) EBIT – Earnings Before Interest and Taxes - is the Result for the period before financial income and charges and income taxes.
d) Adjusted EBIT is defined as EBIT, excluding the effects arising from the adoption of IFRS 16.
e) The Net Financial Position (“NFP”) utilised as a financial indicator of borrowing, is represented as the sum of the following positive and negative components of the Statement of Financial Position, as required by CONSOB Warning Notice no. 5/21 of 29 April 2021. Positive components: cash and cash equivalents, liquid securities under current assets, short-term financial receivables. Negative components: payables to banks, payables to other lenders, leasing and factoring companies, non-current portion of trade and other payables.
f) The adjusted Net Financial Position (“adjusted NFP”) is defined as the Net Financial Position, excluding the effects arising from the adoption of IFRS 16.
g) Net Working Capital: this item includes “Trade receivables”, “Inventories”, current non-financial “Other receivables”, net of “Trade payables” and current non-financial “Other payables”.
h) The cash flow is given by cash flows from operating activities (operating cash flow), net of distributed dividends. The operating cash flow is calculated on the basis of the Gross Operating Margin, to which must be added the changes in net working capital, net of increases in the provision for bad debts, the uses of the provisions for risks and the Employee Severance Pay, operating and financial investments, financial income and charges and taxes. This indicator is used as a financial target in both internal (business plans) and external (analysts and investors) presentations and intends to measure the Company’s ability to generate cash and therefore its ability to self-finance its operations.

Below are reported the Piquadro Group’s main economic-financial indicators at 30 September 2023 and at 30 September 2022:

Economic and financial indicators *(in thousands of Euro)*	**30/09/2023**	**30/09/2022**
Revenues from sales	85,940	80,236
EBITDA	14,677	10,163
Adjusted EBITDA	8,548	3,919
EBIT	6,712	2,393
Adjusted EBIT	6,136	1,825
Profit / (Loss) before tax	5,880	2,051
Group Profit / (Loss) for the period	4,126	(70)
Amortisation and depreciation, provisions and write-downs	8,433	8,157
Cash generation (Group net profit, including amortisation and depreciation, write-downs)	12,559	8,087
Adjusted Net Financial Position	10,388	10,363
Net Financial Position	(29,443)	(40,773)
Equity	58,990	56,276

Below is a restatement of the income statement data aimed at showing the performance of the operating profitability ratio of EBITDA:

Financial indicators *(in thousands of Euro)*	**30/09/2023**	**30/09/2022**
Operating result	6,712	2,393
Amortisation, depreciation and write-downs	7,965	7,770
EBITDA	**14,677**	**10,163**
Adjusted EBITDA	**8,548**	**3,919**

Adjusted EBITDA, which is defined as EBITDA, excluding the effects arising from the adoption of IFRS 16, posted a profit of Euro 8.5 million, showing an improvement of about Euro 4.6 million compared to Euro 3.9 million recorded during the first 2022/2023 half-year.

The Piquadro brand's adjusted EBITDA amounted to a profit of Euro 6.7 million during the half-year ended 30 September 2023 compared to a profit of Euro 5.1 million at 30 September 2022; The Bridge brand's adjusted EBITDA amounted to a profit of Euro 2.9 million during the half-year ended 30 September 2023, up by Euro 0.8 million compared to the figure in September 2022, equal to Euro 2.1 million; Maison Lancel's adjusted EBITDA amounted to a loss of Euro (1.1) million during the half-year ended 30 September 2023, showing an improvement of Euro 2.1 million compared to the same figure in September 2022, with a loss of about Euro (3.2) million.

Financial indicators *(in thousands of Euro)*	**30/09/2023**	**30/09/2022**
EBIT	6,712	2,393
Adjusted EBIT	6,136	1,825

In applying IFRS 16, the Piquadro Group recorded a positive EBIT of about Euro 6.7 million during the half-year ended 30 September 2023, showing an improvement of about Euro 4.3 million compared to Euro 2.4 million recorded during the half-year ended 30 September 2022.

Adjusted EBIT, which is defined as EBIT, excluding the effects arising from the adoption of IFRS 16, posted a positive value of Euro 6.1 million, showing an improvement of about Euro 4.3 million compared to Euro 1.8 million recorded during the half-year ended 30 September 2022.

Financial indicators *(in thousands of Euro)*	**30/09/2023**	**30/09/2022**
Net Result for the period	**4,126**	**(70)**

The Piquadro Group posted a Group net result of Euro 4.1 million during the half-year ended 30 September 2023, showing an improvement of about Euro 4.1 million compared to a loss of about Euro 70 thousand recorded at 30 September 2022.

The Piquadro Group's Results of operations

In the first six months of the 2023/2024 financial year the Group reported a sales performance increasing by 7.1% compared to the same period in the 2022/2023 financial year. In the half-year ended 30 September 2023, the Piquadro Group reported, in fact, net sales revenues equal to Euro 85,940 thousand compared to Euro 80,236 thousand reported in the corresponding period in the 2022/2023 financial year.
In terms of profitability, the Piquadro Group reported EBITDA of Euro 14.7 million in the half-year ended 30 September 2023, showing an improvement of Euro 4.5 million compared to Euro 10.2 million recorded in the half-year ended 30 September 2022.
Adjusted EBITDA posted a profit of Euro 8.5 million, up by about Euro 4.6 million compared to the same figure for the first 2022/2023 half-year. This positive performance was attributable both to an increase in turnover recorded during the period and improved profit margins.

The Piquadro brand's adjusted EBITDA amounted to Euro 6.7 million during the half-year ended 30 September 2023 (against Euro 5.1 million at 30 September 2022); The Bridge brand's adjusted EBITDA posted a profit of Euro 2.9 million during the half-year ended 30 September 2023 (a profit of Euro 2.1 million at 30 September 2022); Maison Lancel's adjusted EBITDA posted a loss of Euro (1.1) million during the half-year ended 30 September 2023, against a negative value of Euro (3.2) million at 30 September 2022.

The Piquadro Group posted a positive EBIT of Euro 6.7 million during the half-year ended 30 September 2023, up by about Euro 4.3 million compared to Euro 2.4 million recorded in the half-year ended 30 September 2022.

Adjusted EBIT posted a positive result of Euro 6.1 million, up by Euro 4.3 million compared to Euro 1.8 million recorded during the half-year ended 30 September 2022.

Taxes accrued in the period are determined on the profits achieved by each Group company, and no income for deferred tax assets has been accounted for on losses incurred by certain Group companies on a prudential basis, in continuity with previous financial periods.

The Piquadro Group posted a Group profit of Euro 4.1 million during the half-year ended 30 September 2023 compared to a loss of Euro 70 thousand recorded at 30 September 2022.

In addition to the analysis reported, Management staff believe that the factors that had a positive impact on the Group's profitability during the half-year were: i) an increase of about 7.1% (equal to Euro 5.7 million) in Group revenues; ii) the work continued on cost reduction; iii) higher profit margins due to the policy aimed at increasing list prices implemented by each Brand as early as during the previous financial year.

Sales revenues

Following the acquisition of Maison Lancel, which took place in June 2019, the Piquadro Group's top Management has reviewed the results of operations posted for each brand (Piquadro, The Bridge, Lancel) in operational terms; the disclosures under IFRS 8 concerning the Piquadro Group's sales revenues are now reported on a brand basis (Piquadro, The Bridge, Lancel).

The breakdowns of revenues by Brand and by geographical area are reported below.

Breakdown of revenues by Brand

The table below reports the breakdown of net consolidated revenues by Brand:

Brand *(in thousands of Euro)*	**Revenues from sales at 30 September 2023**	**%(*)**	**Revenues from sales at 30 September 2022**	**%(*)**	**% change 2023/2022**
PIQUADRO	39,513	*46.0%*	35,245	43.9%	12.1%
THE BRIDGE	16,592	*19.3%*	14,943	18.6%	11.0%
LANCEL	29,834	*34.7%*	30,048	37.5%	(0.7)%
Total	**85,940**	**100.0%**	**80,236**	**100.0%**	**7.1%**

(*) Percentage impact compared to revenues from sales

Revenues relating to the Piquadro brand amounted to Euro 39.5 million during the first half of the 2023/2024 financial year, ended 30 September 2023, up by 12.1% compared to the same period ended 30 September 2022, including the effect of exchange rate changes (+13.5% at constant exchange rates). The wholesale channel reported an increase of 17.5%, while DOSs grew by 8.0%, including the effect of exchange rate changes (+12.0% at constant exchange rates).

Revenues relating to The Bridge brand amounted to Euro 16.6 million during the first half of the 2023/2024 financial year, ended 30 September 2023, up by 11.0% compared to the same period ended 30 September 2022. The wholesale channel recorded an increase of 8.0%, while DOSs grew by 24.6%.

Maison Lancel's sales revenues amounted to Euro 29.8 million during the first half of the 2023/2024 financial year, ended 30 September 2023, showing a slight decrease of 0.7% compared to the same period ended 30 September 2022, including the effect of exchange rate changes (+0.2% at constant exchange rates). The performance recorded by the Lancel brand was affected by the specific situation of the domestic market - where the Maison achieves more than 90% of its revenues - which had been impacted by the recent protests in France, especially in the first quarter, as well as by the closure of some stores (with an impact of about 2.8% on total sales). On the contrary, the reopening of the Asian market led, in the first half of the 2023/2024 financial year, to an increase of about 38% in sales from Chinese stores, including the effect of exchange rate changes (+53% at constant exchange rates), although, in absolute terms, these values are still not so significant compared to the total turnover achieved by Maison Lancel.

Breakdown of revenues by geographical area

The table below reports the breakdown of net revenues by geographical area:

Geographical Area *(in thousands of Euro)*	**Revenues from sales at 30 September 2023**	**%(*)**	**Revenues from sales at 30 September 2022**	**%(*)**	**% change 2023/2022**
Italy	41,773	48.6%	37,189	46.3%	12.3%
Europe	40,669	47.3%	40,919	51.0%	(0.6)%
Rest of the World	3,497	4.1%	2,128	2.7%	64.4%
Total	**85,940**	**100.0%**	**80,236**	**100.0%**	**7.1%**

(*) Percentage impact compared to revenues from sales

From a geographical point of view, the Piquadro Group's turnover on the Italian market amounted to Euro 41.8 million, equal to 48.6% of consolidated sales (46.3% of consolidated sales at 30 September 2022), up by 12.3% compared to the same period in the 2022/2023 financial year.

In the European market, the Group recorded a turnover of Euro 40.7 million, equal to 47.3% of consolidated sales (51.0% of consolidated sales at 30 September 2022), showing a slight decrease of 0.6% compared to the same period in the 2022/2023 financial year (+0.9% at constant exchange rates).

In the non-European geographical area (named "Rest of the World"), the Piquadro Group recorded a turnover of Euro 3.5 million, equal to 4.1% of consolidated sales (2.7% of consolidated sales at 30 September 2022), up by 64.3% compared to the same period of the 2022/2023 financial year (+73.3% at constant exchange rates).

Investments

Gross investments in intangible assets, property, plant and equipment and financial assets in the half-years ended 30 September 2023 and 30 September 2022 were equal to Euro 1,347 thousand and to Euro 2,500 thousand, respectively, as reported below:

(in thousands of Euro)	**30 September 2023**	**30 September 2022**
Investments		
Intangible assets	601	555
Property, plant and equipment	746	1,655
Non-current financial assets	0	290
Total	**1,347**	**2,500**

Increases in intangible assets came to Euro 601 thousand in the half-year ended 30 September 2023 and mainly related to the project to standardise the software platform which will involve the Group, the upgrade of the software for e-commerce channel and the renewal of licences and trademarks.

Increases in property, plant and equipment came to Euro 746 thousand in the half-year ended 30 September 2023 and were attributable to furniture and furnishings purchased for the opening of new sales outlets and the refurbishment of already existing DOSs, as well as the purchase of equipment for the warehouse at Piquadro S.p.A.'s headquarters in Silla di Gaggio Montano.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Below is summarised the Piquadro Group's consolidated statement of financial position at 30 September 2023 (compared to the corresponding statement at 31 March 2023 and 30 September 2022):

(in thousands of Euro)	**30 September 2023**	**31 March 2023**	**30 September 2022**
Trade receivables	38,214	28,251	33,063
Inventories	37,473	37,428	40,220
(Trade payables)	(32,978)	(36,233)	(39,141)
Total Net Current trade Assets	42,709	*29,446*	*34,142*
Other current assets	7,227	6,815	6,995
Tax receivables	1,367	1,301	2,806
(Other current liabilities)	(11,916)	(12,137)	(11,590)
(Tax payables)	(6,674)	(3,980)	(2,982)
A) Working capital	**32,713**	***21,445***	***29,371***
Intangible assets	7,141	7,143	7,376
Property, plant and equipment	13,253	13,854	15,160
Right-of-use assets	37,173	38,364	46,127
Non-current financial assets	2	2	2
Receivables from others beyond 12 months	1,831	1,903	2,122
Deferred tax assets	3,244	3,260	3,650
B) Fixed assets	**62,644**	**64,526**	***74,437***
C) Non-current provisions and non-financial liabilities	**(6,924)**	**(6,605)**	***(6,759)***
Net Invested Capital (A+B+C)	**88,433**	**79,366**	**97,049**
FINANCED BY:			
D) Net Financial Position	***29,443***	***18,307***	***40,773***
E) Equity attributable to Minority interests	***0***	***0***	**0**
F) Equity attributable to the Group	***58,990***	***61,059***	***56,276***
Total borrowings and Shareholders' Equity (D+E+F)	***88,433***	**79,366**	**97,049**

CONSOLIDATED NET FINANCIAL POSITION

The table below reports the breakdown of the Net Financial Position calculated according to the criteria set out in the ESMA (based on the schedule provided for in CONSOB Warning Notice no. 5/21 of 29 April 2021):

(in thousands of Euro)	**30 September 2023**	**31 March 2023**	**30 September 2022**
(A) Cash	35,576	52,935	48,066
(B) Cash equivalents	0	0	0
(C) Other current financial assets	781	808	835
of (D) Liquidity (A) + (B) + (C)	**36,357**	**53,743**	**48,901**
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(20,412)	(17,225)	(18,616)
(F) Current portion of non-current financial debt	(12,674)	(12,921)	(14,043)
(G) Current borrowings (E) + (F)	**(33,086)**	**(30,146)**	**(32,659)**
(H) Current Net Financial Position (G) - (D)	**3,271**	**23,597**	**16,242**
(I) Non-current financial debt (excluding current portion and debt instruments)	(29,077)	(38,267)	(53,008)
(J) Debt instruments	0	0	0
(K) Trade payables and other non-current payables	(3,637)	(3,637)	(4,007)
(L) Non-current Net Financial Position (I) + (J) + (K)	**(32,714)**	**(41,904)**	**(57,015)**
(M) Total Net Financial Position (H) + (L)	**(29,443)**	**(18,307)**	**(40,773)**

The Piquadro Group's Net Financial Position posted a negative value of Euro 29.4 million at 30 September 2023, showing an improvement of more than Euro 11 million compared to the figure posted at 30 September 2022. The impact arising from the adoption of IFRS 16 amounted to a negative value of about Euro 39.8 million.

The Piquadro Group's adjusted Net Financial Position[1], which posted a positive value of about Euro 10.3 million, was substantially in line with the positive value of Euro 10.3 million posted at 30 September 2022.

The annual rolling changes in the adjusted Net Financial Position[1] were determined by investments in intangible assets, property, plant and equipment and non-current financial assets for about Euro 3 million, the payment of dividends of Euro 5.0 million, the purchase of treasury shares for about Euro 1.1 million, and the generation of free cash inflows of about Euro 9 million, including the temporary effects of the use of working capital of about Euro 5 million.

[1] Following the first-time adoption of IFRS 16, as from 1 April 2019, a new accounting treatment of leases was introduced, which generates a significant effect on EBITDA, EBIT, Net Invested Capital, Net Financial Position and Cash Flow from operating activities. For this reason, this document also reports the adjusted balances of the aforesaid items in order to make the figures at 30 September 2022 more comparable, including in industrial terms, with those posted in previous periods.

Reconciliation of the Parent Company's and consolidated Equity and profit (loss) for the period

Below is the statement of reconciliation of the Parent Company's Equity and profit (loss) for the period and the corresponding consolidated values as at 30 September 2023:

(In thousands of Euro)	**Profit (loss) at 30 September 2023**	**Equity at 30 September 2023**
Equity and Profit (Loss) for the period as reported in the financial statements of Piquadro S.p.A.	**4,681**	**44,444**
Derecognition of the carrying amount of consolidated equity investments	(470)	(24,927)
Non-recurring income arising from the acquisition of the Lancel Group, net of transaction costs	*0*	40,752
Derecognition of the effects of transactions carried out between consolidated companies:		
- Profits stated among closing inventories	82	(1,610)
- Other minor effects	(167)	331
Group's equity and Profit (Loss) for the period	**4,126**	**58,990**
Minority interests' Profits (Losses) and Equity	0	0
Consolidated Equity and Profit (Loss)	**4,126**	**58,990**

OTHER INFORMATION

Environmental responsibility and the fight against climate change

As referred to by the Piquadro Group Code of Ethics, the environment is considered a primary asset of the community that the Piquadro Group itself intends to help safeguard.

The Piquadro Group plans its activities by paying particular attention to the challenges of climate change, while seeking a balance between economic initiatives and environmental needs, in compliance with any applicable provision of law and regulations, and offering utmost cooperation to the public authorities responsible for carrying out audits, monitoring and protecting the environment.

The Piquadro Group's environmental responsibility is substantiated through five areas of action: *i)* sustainable and transparent management of supply chain; *ii)* responsible consumption of materials; *iii)* energy consumption management; *iv)* containment of CO2 emissions; and *v)* waste management.

The Piquadro Group is therefore committed to pursuing sustainable management of its supply chain through the adoption of a code of conduct for suppliers, which will be shared with key categories of business partners. The Piquadro Group is focused on an ongoing search for the most suitable solutions to ensure responsible use of resources, a reduction in energy consumption and an improved management of emissions into the atmosphere through the continuous improvement of efficiency levels and the use of energy from renewable sources. The Piquadro Group also engages in raising awareness and communication activities regarding energy and environmental issues.

The Piquadro Group has put in place a process to identify and assess risks associated with climate change, which it intends to refine in future years, while also considering any potential impact on its main operating units and supply chain. This process is instrumental in identifying physical risks, transition risks, and opportunities linked to the sector and business characteristics of the Group.

Human Resources

The products that the Piquadro Group offers are conceived, manufactured and distributed according to the guidelines of an organisational model whose feature is that it monitors all the most critical phases of the chain, from conception and manufacturing to subsequent distribution. This entails great care with the correct management of human resources, which, while respecting the different local environments in which the Group operates, must necessarily lead to intense personal involvement, above all in what the Group considers the strategic phases for the success of the brand. As at 30 September 2023 the Group had 1,049 units, compared to 1,029 units at 30 September 2022.
Below is reported the breakdown of staff by Country:

Country	30 September 2023	30 September 2022
Italy	419	399
China	236	241
Hong Kong	1	1
Germany	1	1
Spain	18	14
Taiwan	18	12
France	310	315
San Marino	4	4
United Kingdom	5	1
Russia	37	41
Total	**1,049**	**1,029**

With reference to the Group’s organisational structure, at 30 September 2023 13.7% of staff operated in the production area, 54.6% in the retail area, 19.8% in the support functions (Administration, IT Systems, Purchasing, Quality, Human Resources, etc.), 6.7% in the Research and Development area and 5.1% in the wholesale area.

Research and development activity

The R&D work for the Piquadro brand is carried out in house by the Parent Company through a dedicated team that currently consists of 14 persons, mainly engaged in the product Research and Development department and the style office at the head office of the Company.
The plants of the Chinese subsidiary Uni Best Leather Goods Zhongshan Co. Ltd. employ a staff of 21 people dedicated to prototyping and the production of new models according to the instructions defined by the central organisation.
The R&D work for The Bridge brand is carried out by subsidiary The Bridge S.p.A. through a team of 27 people.
The R&D work for the Lancel brand is carried out by the French subsidiary Lancel Sogedi S.A. through a team of 8 people.

Transactions with related parties

In compliance with the CONSOB Regulation on Related Parties, on 18 November 2010 the Board of Directors adopted the "Regulation governing transactions with Related Parties".
On 15 June 2021 the Board of Directors of Piquadro S.p.A. adopted the new procedure governing Related-party transactions, which was also set out by considering the instructions given by CONSOB for the application of the new rules by resolution no. 2164 of 10 December 2020.
This document is available on the website of Piquadro, www.piquadro.com, in the Section on Investor Relations.

Information required by articles 36 and 39 of the Markets' Regulation

With reference to the "Requirements for listing of shares of companies controlling companies established and regulated by the law of States not belonging to the European Union" ("*Condizioni per la quotazione di azioni di società controllanti società costituite e regolate dalla legge di Stati non appartenenti all'Unione Europea*") under Article 36 of the Markets' Regulation, the Piquadro Group declares that the only Group company as of today that meets the significance requirements under title VI, chapter II, of the Issuers' Regulation, established and regulated by the law of States not belonging to the European Union, is the subsidiary Uni Best Leather Goods Zhongshan Co. Ltd..
Specifically, the Parent Company certifies that, with regard to said subsidiary:

- it makes available to the general public the subsidiaries' accounting positions prepared for the purposes of drawing up the consolidated accounts, including at least the balance sheet and the income statement. These accounting positions are made available to the public by filing them with the registered office or by publishing them on the website of the controlling company;

a) it gathers from the subsidiaries the by-laws and the composition and powers of the corporate bodies;
b) it ensures that the subsidiaries: (i) provide the controlling company's independent auditors with the required information to conduct their audit of annual and interim accounts of the controlling company; (ii) are equipped with an administrative and accounting system that is suitable to allow the information on financial data, results of operations and cash flows required for preparing consolidated accounts to be regularly received by the Management and the independent auditors of the controlling company. The controlling company's control body will timely notify CONSOB and the market management company of any facts and circumstances as a result of which said system would be no longer possibly suitable to satisfy the conditions referred to above.

Significant events after the reporting date

No significant events are reported which occurred from 1 October 2023 to the reporting date of this Report.

Outlook

The excellent performance recorded in the first half of the 2023/2024 financial year, both in terms of sales revenues and especially profitability, confirms the ability to meet expectations and assures Management of the soundness of the growth plans started despite a volatile economic scenario. Against such a background, the Group's Management believes that it can keep revenue growth trends in line with the value posted in the first half-year and achieve higher levels of profitability than in the financial year ended 31 March 2023.

FOR THE BOARD OF DIRECTORS

Silla di Gaggio Montano (BO), 23 November 2023

THE CHAIRMAN
Marco Palmieri

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**30/09/2023**	**31/03/2023**
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	(1)	2,483	2,485
Goodwill	(2)	4,658	4,658
Right-of-use assets	(3)	37,173	38,364
Property, plant and equipment	(4)	13,253	13,854
Non-current financial assets	(5)	2	2
Receivables from others	(6)	1,831	1,903
Deferred tax assets	(7)	3,244	3,260
TOTAL NON-CURRENT ASSETS		**62,644**	**64,526**
CURRENT ASSETS			
Inventories	(8)	37,473	37,428
Trade receivables	(9)	38,214	28,251
Other current assets	(10)	7,227	6,814
Derivative assets	(11)	781	808
Tax receivables	(12)	1,591	1,301
Cash and cash equivalents	(13)	35,576	52,936
TOTAL CURRENT ASSETS		**120,862**	**127,538**
TOTAL ASSETS		**183,506**	**192,064**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**30/09/2023**	**31/03/2023**
LIABILITIES			
EQUITY			
Share Capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		(946)	249
Retained earnings		53,810	52,308
Group profit/(loss) for the period		4,126	6,502
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP		**58,990**	**61,059**
Capital and reserves attributable to minority interests		0	0
Profit/(loss) for the period attributable to minority interests		0	0
TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		**0**	**0**
TOTAL EQUITY	(14)	**58,990**	**61,059**
NON-CURRENT LIABILITIES			
Borrowings	(15)	9,658	14,399
Payables to other lenders for lease agreements	(16)	19,419	23,868
Other non-current liabilities	(17)	5,792	5,944
Provision for employee benefits	(18)	3,765	3,764
Provisions for risks and charges	(19)	3,159	2,841
TOTAL NON-CURRENT LIABILITIES		**41,793**	**50,816**
CURRENT LIABILITIES			
Borrowings	(20)	12,674	12,921
Payables to other lenders for lease agreements	(21)	20,412	17,225
Derivative liabilities	(22)	0	0
Trade payables	(23)	32,978	36,233
Other current liabilities	(24)	9,761	9,830
Tax payables	(25)	6,898	3,980
TOTAL CURRENT LIABILITIES		**82,723**	**80,189**
TOTAL LIABILITIES		**124,516**	**131,005**
TOTAL EQUITY AND LIABILITIES		**183,506**	**192,064**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	Notes	30 September 2023	30 September 2022
REVENUES			
Revenues from sales	(26)	85,940	80,236
Other income	(27)	2,534	666
TOTAL REVENUES (A)		**88,474**	**80,902**
OPERATING COSTS			
Change in inventories	(28)	(469)	(709)
Costs for purchases	(29)	17,368	18,223
Costs for services and leases and rentals	(30)	34,757	31,377
Personnel costs	(31)	21,116	21,007
Amortisation, depreciation and write-downs	(32)	8,433	8,157
Other operating costs	(33)	557	454
TOTAL OPERATING COSTS (B)		**81,762**	**78,509**
OPERATING PROFIT (A-B)		**6,712**	**2,393**
FINANCIAL INCOME AND COSTS			
Financial income	(34)	866	2,468
Financial costs	(35)	(1,698)	(2,810)
TOTAL FINANCIAL INCOME AND COSTS		**(832)**	**(342)**
PROFIT (LOSS) BEFORE TAX		**5,880**	**2,051**
Income tax	(36)	(1,754)	(2,121)
PROFIT (LOSS) FOR THE PERIOD		**4,126**	**(70)**
attributable to:			
EQUITY HOLDERS OF THE COMPANY		4,126	(70)
MINORITY INTERESTS		0	0
(Basic and diluted) Earnings /(loss) per share in Euro	(37)	0.0825	(0.0014)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of Euro)	**30 September 2023**	**30 September 2022**
Profit/ (Loss) for the year (A)	**4,126**	**(70)**
Components that can be reclassified to profit or loss (net of tax effect)		
Profit (loss) arising from the translation of financial statements of foreign companies	(501)	1,207
Profit (loss) on cash flow hedge instruments	(30)	310
Components that cannot be reclassified to profit or loss (net of tax effect)		
Actuarial gains / (losses) on defined-benefit plans	96	51
Total Profits/(Losses) recognised in equity (B)	**(435)**	**1,568**
Total comprehensive Income /(Loss) for the year (A) + (B)	**3,691**	**1,498**
Attributable to		
- the Group	3,691	1,498
- Minority interests	-	-

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(in thousands of Euro)

Description	Share Capital	Share premium reserve	Other reserves: Translation reserve	Other reserves: Fair value reserve	Other reserves: Reserve for Employee Benefits	Other reserves: Reserve for treasury shares	Other reserves: Other reserves	Other reserves: Total Other reserves	Retained earnings	Group Profit/(Loss)	Equity attributable to the Group	Capital and reserves attributable to Minority Interests	Profit/ (Loss) attributable to minority interests	Total equity attributable to the Group and to Minority Interests
Balances at 31 March 2022	**1,000**	**1,000**	**2,877**	**314**	**(216)**	**(2,782)**	**556**	**749**	**51,864**	**4,444**	**59,057**	**0**	**0**	**59,057**
Profit/ (Loss) for the period										**(70)**	**(70)**	**0**	**0**	**(70)**
Other comprehensive result at 31 March 2022														
- Exchange differences from translation of financial statements in foreign currency			1,207					1,207			1,207			1,207
- Reserve for actuarial gains (losses) on defined-benefit plans					51			51			51			51
- Other changes (consolidation area)								0			0			0
- Fair value of financial instruments				310				310			310			310
								0						
Comprehensive Income/(Loss) for the period	**0**	**0**	**1,207**	**310**	**51**	**0**	**0**	**1,568**	**0**	**(70)**	**1,498**	**0**	**0**	**1,498**
- Negative reserve for purchase of treasury shares in portfolio						(279)		(279)			(279)			(279)
- Distribution of dividends to shareholders									(4,000)		(4,000)			(4,000)
- Allocation of the result for the period at 31 March 2022 to reserves									4,444	(4,444)	0			0
Balances at 30 September 2022	**1,000**	**1,000**	**4,084**	**624**	**(165)**	**(3,061)**	**556**	**2,038**	**52,308**	**(70)**	**56,276**	**0**	**0**	**56,276**
Profit/ (Loss) for the period										**6,572**	**6,572**	**0**	**0**	**6,572**
Other comprehensive result at 31 March 2022														
- Exchange differences from translation of financial statements in foreign currency			(1,303)					(1,303)			(1,303)			(1,303)
- Reserve for actuarial gains (losses) on defined-benefit plans					(74)			(74)			(74)			(74)
- Other changes (consolidation area)								0			0			0
- Fair value of financial instruments				(13)				(13)			(13)			(13)
								0						
Comprehensive Income/(Loss) for the period	**0**	**0**	**(1,303)**	**(13)**	**(74)**	**0**	**0**	**(1,390)**	**0**	**6,572**	**5,182**	**0**	**0**	**5,182**
- Negative reserve for purchase of treasury shares in portfolio						(399)		(399)			(399)			(399)
- Distribution of dividends to shareholders											0			0
- Allocation of the result for the year at 31 March 2022 to reserves											0			0
Balances at 31 March 2023	**1,000**	**1,000**	**2,781**	**611**	**(239)**	**(3,460)**	**556**	**249**	**52,308**	**6,502**	**61,059**	**0**	**0**	**61,059**
Profit/ (Loss) for the period										**4,126**	**4,126**			**4,126**
Other comprehensive result at 31 March 2023														
- Exchange differences from translation of financial statements in foreign currency			(501)					(501)			(501)			(501)
- Reserve for actuarial gains (losses) on defined-benefit plans					96			96			96			96
- Other changes (consolidation area)								0			0			0
- Fair value of financial instruments				(30)				(30)			(30)			(30)
								0						
Comprehensive Income/(Loss) for the period	**0**	**0**	**(501)**	**(30)**	**96**	**0**	**0**	**(435)**	**0**	**4,126**	**3,691**	**0**	**0**	**3,691**
- Negative reserve for purchase of treasury shares in portfolio						(760)		(760)			(760)			(760)
- Distribution of dividends to shareholders									(5,000)		(5,000)			(5,000)
- Allocation of the result for the period at 31 March 2023 to reserves									6,502	(6,502)	0			0
Balances at 30 September 2023	**1,000**	**1,000**	**2,280**	**581**	**(143)**	**(4,220)**	**556**	**(946)**	**53,810**	**4,126**	**58,990**	**0**	**0**	**58,990**

CONSOLIDATED STATEMENT OF CASH FLOWS

(*in thousands of Euro*)	30 September 2023	30 September 2022
Profit before tax	5,880	2,051
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets and rights of use	7,891	7,928
Write-downs/(revaluations) of property, plant and equipment/intangible assets and right-of- use assets	74	(158)
Other provisions	356	1,434
Accrual to provision for bad debts	468	387
Adjustment to the provision for employee benefits	1,185	0
Net financial costs/(income), including exchange rate differences	356	(768)
Cash flows from operating activities before changes in working capital	**16,210**	**10,874**
Change in trade receivables (gross of the provision)	(9,722)	(2,867)
Change in inventories	(321)	(1,303)
Change in other current assets	(329)	(2,615)
Change in trade payables	(3,730)	(1,587)
Change in provisions for risks and charges	(850)	(841)
Change in other current liabilities	(221)	1,145
Change in tax receivables/payables	874	(932)
Cash flows from operating activities after changes in working capital	**1,911**	**1,874**
Payment of taxes	0	0
Interest paid	(590)	(777)
Cash flow generated from operating activities (A)	**1,321**	**1,097**
Investments in intangible assets	(682)	(559)
Investments in property, plant and equipment	(1,050)	(1,781)
Changes generated from investing activities (B)	**(1,732)**	**(2,340)**
Financing activities		
Change in short- and medium/long-term borrowings	(4,988)	(3,148)
- New loans	0	5,000
- Repayments and other net changes in Borrowings	*(4,988)*	(1,852)
Changes in financial instruments	0	0
Changes in treasury shares in portfolio	(760)	(279)
Repayments for lease liabilities	(5,700)	(5,914)
Dividends paid	(5,000)	(4,000)
Cash flow generated from/(used in) financing activities (C)	**(16,448)**	**(13,341)**
Effect of foreign exchange differences from translation on cash and cash equivalents (D)	(501)	1,207
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	**(17,360)**	**(13,377)**
Cash and cash equivalents at the beginning of the period	**52,936**	**61,443**
Cash and cash equivalents at the end of the period	**35,576**	**48,066**

GENERAL INFORMATION

The Group's business

Piquadro S.p.A. (hereinafter also referred to as "Piquadro", "the Company" or "the Parent Company") and its subsidiaries ("the Piquadro Group" or "the Group") design, produce and market leather goods - bags, suitcases and accessories - characterised by attention to design and functional and technical innovation.

The Company was established on 26 April 2005. The Share Capital has been subscribed through the contribution of the branch of business relating to operating activities on the part of the former Piquadro S.p.A (now Piqubo S.p.A., the ultimate company controlling the Company), which became effective for legal, accounting and tax purposes on 2 May 2005.

Effective from 14 June 2007, the registered office of Piquadro S.p.A. was moved from Riola di Vergato (Bologna), via Canova no. 123/O-P-Q-R to Località Sassuriano 246, Silla di Gaggio Montano (Bologna).

As of today's date, the Company is owned by Marco Palmieri through Piqubo S.p.A., which is 100% owned. Piqubo S.p.A., in fact, holds 93.34% of the Share Capital of Piquadro Holding S.p.A., which in its turn, holds 68.37% of the Share Capital of Piquadro S.p.A., a company which is listed on the Milan Stock Exchange since 25 October 2007.

It should be noted that for a better understanding of the Company's economic performance, reference is made to the extensive information reported in the half-yearly Report on operations prepared by the Directors.

These half-yearly condensed consolidated financial statements were approved by the Board of Directors on 23 November 2023.

BASIS OF PREPARATION OF HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS, THE GROUP STRUCTURE AND THE SCOPE OF CONSOLIDATION

Accounting standards and policies

This half-year financial report, which includes the Piquadro Group's half-yearly condensed consolidated financial statements at 30 September 2023, was prepared pursuant to Article 154-*ter* of Legislative Decree no. 58/98 and in accordance with International Accounting Standards (IAS/IFRS) adopted by the European Union and in particular with the accounting standard applicable to interim financial reporting (IAS 34).
IAS 34 allows interim financial statements to be prepared in a "condensed" form, i.e. on the basis of minimum disclosures substantially less detailed than required by IFRS as a whole, provided that a complete set of financial statements prepared on the basis of IFRS has been previously made available to the public.
These half-yearly condensed consolidated financial statements have been prepared in a "condensed" form and they must therefore be read together with the Group's consolidated financial statements ended 31 March 2023 prepared in accordance with IFRS adopted by the European Union, to which reference is made for a better understanding of the Group's business and structure and of the accounting standards and criteria adopted.
The preparation of interim financial statements in accordance with IAS 34 – Interim Financial Reporting requires judgments, estimates and assumptions that impact on the value of the assets, liabilities, costs and revenues. It should be noted that the final results may prove different from those obtained as a result of these estimates.

Furthermore, it should be noted that certain valuation processes, in particular those that are more complex such as the determination of any possible impairment losses on non-current assets, are generally only carried out in full during the preparation of the annual financial statements, when all such information as may be necessary is available, except when there is evidence of impairment that immediately requires an assessment of any possible loss in value.

Any subjective valuation that is relevant to the company Management in applying accounting standards and the main sources of uncertainty in the estimates are the same as those applied to prepare the Group's consolidated financial statements at 31 March 2023 to which reference should be made.

The Directors have assessed whether the going-concern assumption can be applied to prepare the half-yearly condensed consolidated financial statements, concluding that this requirement is met in full since there is no doubt about the Company's ability to continue as a going concern in the foreseeable future.

The consolidated accounting statements (consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated cash flow statement and statement of changes in consolidated equity) are prepared in an extended form and are the same as those adopted for the consolidated financial statements at 31 March 2023.

Economic data, changes in equity and cash flows for the half-year ended 30 September 2023 are compared to the half-year ended 30 September 2022. Financial data at 30 September 2023 are compared to the corresponding values at 31 March 2023 (relating to the last consolidated annual accounts).
For a better description, accounting data are reported in thousands of Euro in both the accounting statements and these Notes, except as otherwise specified.
The reporting currency of these consolidated financial statements is the Euro, since this currency prevails in the economies of the countries where the Piquadro Group companies conduct their business.

The Management believes that no other significant non-recurring events or transactions occurred in the half-year ended 30 September 2023, nor did any atypical or unusual transactions significantly affect the operating result.

Principles of consolidation

Subsidiaries

Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A company, therefore, has control over an entity when it is exposed, or has a right, to variable returns from its involvement with the entity and, at the same time, has the ability to affect these returns through its power over the investee. Control exists, therefore, when an investor has all the following three elements:

- the power to direct the investee's relevant activities
- exposure to the investee's future returns;
- the ability to use its power over the investee to affect the investor's returns.

The power to direct the activities that significantly affect the investee's results (relevant activities) is most commonly exercised through voting rights (including potential voting rights), but also by virtue of contractual arrangements.

The criteria adopted in applying the method of consolidation on a line-by-line basis are mainly the following:
- the book value of the equity investments held by the Parent Company or by the other companies being consolidated is eliminated against the related equity in consideration of the assumption of assets and liabilities of the investee companies;
- the surplus, if any, of the total cost of the businesses acquired with respect to the portion in the fair value pertaining to identifiable assets and liabilities and potential liabilities is recognised under item Goodwill, under Intangible Assets;
- significant transactions occurred between consolidated companies are also eliminated, as well as credit and debt items and profits not yet realised which arise from transactions between Group companies;
- the portion of total equity pertaining to minority shareholders is recognised under a special item, while the portion of result for the period pertaining to minority interests is recognised separately in the consolidated income statement;
- the companies acquired or sold in the course of the financial year are consolidated for the period in which control was exercised.

Scope of consolidation

The half-yearly condensed consolidated financial statements at 30 September 2023 include the half-yearly financial statements of the Parent Company Piquadro S.p.A. and of all companies over which it exercises control, either directly or indirectly.

The complete list of the companies included in the scope of consolidation at 30 September 2023, with the related shareholders' equity and share capital recognised according to local accounting standards (as the Group companies have prepared their half-yearly financial statements according to the local regulations and accounting standards, and have only prepared the consolidation file according to IFRS functionally to the consolidation into Piquadro) are reported in the table below:

Scope of consolidation at 30 September 2023

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholders' equity (local currency/000)	Control %
Piquadro S.p.A.	Gaggio Montano (BO)	Italy	EUR	1,000	45,277	Parent Company
Piquadro España SLU	Barcelona	Spain	EUR	898	865	100%
Piquadro Deutschland GmbH	Munich	Germany	EUR	25	153	100%
Uni Best Leather Goods Zhongshan Co. Ltd.	Guangdong	People's Republic of China	CNY	22,090	(1,236)	100%
Piquadro Hong Kong Co. Ltd.	Hong Kong	Hong Kong	HKD	2,000	576	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	TWD	25,000	30,392	100%
Piquadro UK Limited	London	United Kingdom	GBP	1,000	995	100%
OOO Piquadro Russia	Moscow	Russia	RUB	20	172,980	100%

Piquadro Retail San Marino	San Marino	San Marino	EUR	26	23	100%
The Bridge S.p.A.	Scandicci (FI)	Italy	EUR	50	11,372	100%
Lancel International SA	Lugano	Switzerland	CHF	35,090	22,994	100%
Lancel Sogedi	Paris	France	EUR	20,000	4,877	100%
Lancel Italia	Gaggio Montano (BO)	Italy	EUR	100	66	100%
Lancel Zhongshan	Guangdong	People's Republic of China	CNY	7,000	6,286	100%

The companies that the Parent Company Piquadro S.p.A. controls, either directly or indirectly, and either legally or in practice, are consolidated according to the line-by-line consolidation method, which consists in reporting all the assets and liabilities items in their entirety from the date on which control has been acquired up to the date control ceases.
It should be noted that there were changes in the consolidation area at September 30, 2023 compared to that at 31 March 2023 following the winding-up and related deregistration of Lancel Iberia S.A., a company relating to the Maison Lancel brand.
The financial statements expressed in a foreign currency other than the Euro are translated into Euro by applying the exchange rates applied below for the half-years ended 30 September 2023 and 30 September 2022 (foreign currency corresponding to Euro 1). Furthermore, the financial statements also report the closing exchange rates at 31 March 2023 for comparison purposes.

Foreign currency	**Average**			**Closing**		
	30/09/23	**31/03/23**	**30/09/22**	**30/09/23**	**31/03/23**	**30/09/22**
Hong Kong Dollar (HKD)	8.53	8.16	8.13	8.30	8.54	7.65
Renminbi (CNY)	7.76	7.13	6.99	7.74	7.48	6.94
Taiwan Dollar (TWD)	33.96	31.63	30.97	34.10	33.14	30.96
Swiss Franc (CHF)	0.97	0.99	1.00	0.97	1.00	0.96
Great Britain Pound (GBP)	0.86	0.86	0.85	0.86	0.88	0.88
US Dollar (USD)	1.09	1.04	1.03	1.06	1.08	0.97
Russian Rouble (RUB)	95.64	69.12	66.49	103.26	84.14	58.97

Main events that occurred during the financial year ended 30 September 2023 and related significant accounting effects

Accounting standards, amendments and IFRS interpretations applied from 1 April 2023

The following accounting standards, amendments and IFRS interpretations were applied by the Group for the first time as from 1 April 2023:

- On 18 May 2017 the IASB published IFRS 17 – *Insurance Contracts*, which intended to replace IFRS 4 – *Insurance Contracts*. The standard was applied as from 1 April 2023. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations arising from the insurance contracts issued. The IASB has developed the standard in order to remove inconsistencies and weaknesses from the existing accounting policies, providing a single principle-based framework to take account of any and all types of insurance contracts, including reinsurance contracts that are held by an insurer.
  The new standard also provides for the reporting and disclosure requirements required to improve the comparability between the entities belonging to this sector.
  The new standard measures an insurance contract on the basis of a General Model or a simplified version thereof, named Premium Allocation Approach ("PAA").
  The main features of the General Model are:
    - estimates and assumptions of future cash flows are always the current ones;
    - the measurement reflects the time value of money;

- estimates involve extensive use of observable market information;
- there is a current and explicit measurement of risk;
- the expected profit is deferred and aggregated into groups of insurance contracts upon initial recognition;
- the expected profit is recognized over the contract coverage period taking into account adjustments resulting from changes in assumptions about the cash flows flowing from each group of contracts.

The PAA approach provides for the measurement of the liability for the residual coverage of a group of insurance contracts provided that, upon initial recognition, the entity expects the liability to be a reasonable approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA approach. The simplifications of applying the PAA approach do not apply to the valuation of liabilities for outstanding claims, which are measured using the General Model. However, it is not necessary to discount those cash flows if the balance to be paid or collected is expected to occur within one year from the date the claim occurred.

An entity must apply the new standard to insurance contracts issued, including reinsurance contracts issued, and reinsurance contracts held, as well as to investment contracts with a discretionary participation feature (DPF).

Furthermore, on 9 December 2021, the IASB published *"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 on financial assets presented at the date of first-time adoption of IFRS 17. The amendment was applied as from 1 April 2023, together with the application of IFRS 17, in order to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and improve the usefulness of comparative information for users of financial statements. The adoption of the standard and related amendment had no effects on the Group's consolidated financial statements.

- On 7 May 2021 the IASB published *"Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction."* The document clarifies how deferred tax should be accounted for on certain transactions that can generate assets and liabilities of equal amount, such as leases and decommissioning obligations. The amendments were applied as from 1 April 2023.
  The adoption of this amendment had no effects on the Group's consolidated financial statements.

- On 12 February 2021 the IASB published two amendments: "*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 aimed at improving disclosure about accounting policies so as to provide more useful information to investors and other primary users of financial statements, as well as to help companies distinguish changes in accounting estimates from changes in accounting policies. The amendments were applied as from 1 April 2023.
  The adoption of the amendments had no effects on the Group's consolidated financial statements.

Accounting standards, amendments and IFRS interpretations not yet endorsed by the European Union

As at the reporting date of this financial report, the competent bodies of the European Union had not yet completed the endorsement process required for the adoption of the amendments and standards described below.

On 23 January 2020 the IASB published "*Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*" while on 31 October 2022 it published "*Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants.*" The documents are aimed at clarifying how to classify short- or long-term payables and other liabilities. The amendments will become applicable from the financial year that will commence on 1 April 2024, with early adoption permitted.
At present the directors are assessing any possible effect of the first-time adoption of this amendment on the Group's consolidated financial statements.

On 22 September 2022 the IASB published "*Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.*" The document requires the seller-lessee to measure the lease liability arising from a sale & leaseback transaction so as not to recognise any income or loss that relates to the retained right of use. The amendments will be applicable from the financial year that will commence on 1 April 2024, with early adoption permitted.
The Directors do not expect any significant effect on the Group's consolidated financial statements from the adoption of these amendments.

On 23 May 2023, the IASB published "*Amendments to IAS 12 - Income taxes: International Tax Reform - Pillar Two Model Rules*." The document adds a temporary exception to the recognition and disclosure requirements for deferred

tax assets and liabilities related to the Pillar Two Model Rules and provides specific disclosure requirements for entities involved in the related International Tax Reform.
The document provides for immediate application of the temporary exception, while the disclosure requirements will be applicable only to annual financial statements for periods commencing on or after 1 January 2023, but not to interim financial statements with a reporting date prior to 31 December 2023.
At present the Directors are assessing any possible effect of the first-time adoption of this amendment on the Group's consolidated financial statements.

On 25 May 2023 the IASB published "*Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements*." The document requires an entity to provide additional information about reverse factoring arrangements that enable users of financial statements to assess how supplier finance arrangements may affect the entity's liabilities and cash flows and to understand the effect of such arrangements on the entity's exposure to liquidity risk. The amendments will apply from the financial year commencing on 1 April 2024, with early adoption permitted.
The Directors do not expect any significant effect on the Group's consolidated financial statements from the adoption of these amendments.

COMMENTS ON THE ITEMS IN STATEMENTS OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

Note 1 – Intangible assets

As at 30 September 2023 the value of intangible assets was equal to Euro 2,483 thousand (Euro 2,485 thousand at 31 March 2023). Below is reported the breakdown of this item:

(in thousands of Euro)	30 September 2023	31 March 2023	Change
Industrial patent rights	37	40	(3)
Software, licences, trademarks and other rights	2,200	1,966	234
Other fixed assets	14	0	14
Fixed assets under development	231	479	(248)
Total	**2,483**	**2,485**	**(2)**

During the half-year ended 30 September 2023 investments in intangible assets came to Euro 601 thousand and mainly related to the Group's investments in software and renewal of licenses and trademarks.

Note 2 – Goodwill

The assets with an indefinite useful life include goodwill recognised for a value equal to Euro 4,658 thousand relating to the business combination involving The Bridge S.p.A., which was accounted for in 2017 in accordance with the provisions laid down in IFRS 3 revised.
In accordance with IAS 36 an analysis was conducted in relation to any possible evidence of impairment losses, at the end of which no critical indicators were reported. Furthermore, no impairment test was conducted on the goodwill value stated at 30 September 2023. The Directors' assessments regarding the lack of impairment indicators are essentially based on *(i)* the current performance of The Bridge business and expectations for the coming months compared to the forecasts reflected in the Business Plan used for the purposes of the impairment test in the 2022/2023 consolidated financial statements, *(ii)* the existing level of cover as a result of the aforementioned 2022/2023 impairment test, including in terms of sensitivity analysis subject to an increase in rates.

Note 3 - Right-of-use assets

Below is the breakdown of this item:

(in thousands of Euro)	30 September 2023	31 March 2023	Change
Land and Buildings	36,611	37,762	(1,151)
Key Money	536	531	5
Other assets	25	71	(45)
Total	**37,173**	**38,364**	**(1,191)**

The "Right-of-use" item amounted to Euro 37,173 thousand at 30 September 2023 and was mainly made up of assets relating to lease agreements for shops, the Piquadro Group's showroom, offices or logistics and, to a lesser extent, long-term car hire.
As at 30 September 2023 the Piquadro Group carried out an analysis aimed at assessing the recoverability of right-of-use assets, as well as of intangible assets and property, plant and equipment attributable to each directly-operated store (DOS), which showed indicators of impairment, with particular attention to stores located in geographical areas that are particularly exposed to risks. This analysis revealed impairment losses for some directly-operated stores, for which the respective assets were written down by a total of Euro 286 thousand, in relation to rights of use (IFRS 16), since, at present, it is not reasonably foreseeable that they will be recovered through prospective cash flows. In particular, impairment tests were carried out for all those outlets for which the Management had reported evidence of impairment indicators.

The decrease compared to 31 March 2023 also arose from the amortisation recorded during the period, which was partially offset by new lease agreements signed for the points of sale.

Note 4 – Property, plant and equipment

As at 30 September 2023, the value of property, plant and equipment was equal to Euro 13,253 thousand (Euro 13,854 thousand at 31 March 2023). Below is reported the breakdown of this item:

(in thousands of Euro)	**30 September 2023**	**31 March 2023**	**Change**
Land	878	878	0
Buildings	3,317	3,416	(99)
Plant and machinery	1,118	1,217	(101)
Industrial and commercial equipment	7,858	8,255	(397)
Other assets	16	22	(6)
Fixed assets under construction and advances	66	64	2
Total	**13,253**	**13,854**	**(601)**

Increases in property, plant and equipment came to Euro 746 thousand in the half-year ended 30 September 2023 and mainly related to the investments made by all the three brands following the recent opening of new stores and the refitting of some already existing sales outlets.

Note 5 - Non-current financial assets

Non-current financial assets, equal to Euro 2 thousand, related to quotas held in minor companies that do not belong to the Group.

Note 6 – Receivables from others

Receivables from others, equal to Euro 1,831 thousand at 30 September 2023 (Euro 1,903 thousand at 31 March 2023), mainly related to the guarantee deposits paid for various utilities, including those relating to directly-operated stores and to deposits relating to the lease of DOSs.

Note 7 – Deferred tax assets and liabilities

As at 30 September 2023, the amount of deferred tax assets was equal to Euro 3,244 thousand (Euro 3,260 thousand at 31 March 2023). The amount was the net balance between deferred tax assets (Euro 3,541 thousand) and deferred tax liabilities (Euro 297 thousand). The change compared to the previous financial year includes the use of deferred tax assets following the generation of taxable income on the part of Piquadro S.p.A and The Bridge S.p.A., partially offset by the amounts set aside as provisions for risks and provision for bad debts, as well as to the effect arising from the adoption of IFRS 16, since the "interest and amortisation for the period" calculated according to IFRS 16 differ from the rentals for the period, which are the only item that is relevant for tax purposes.

CURRENT ASSETS

Note 8 - Inventories

The tables below report the breakdown of net inventories into the relevant classes and the changes in the provision for write-down of inventories (entered as a direct reduction in each class of inventories), respectively:

(in thousands of Euro)	**Gross value at 30 September 2023**	**Provision for write-down**	**Net value at 30 September 2023**	**Net value at 31 March 2023**
Raw Materials	6,605	(1,816)	4,789	4,994
Semi-finished products	415	0	415	614
Finished products	37,455	(5,186)	32,269	31,820
Inventories	**44,475**	**(7,002)**	**37,473**	**37,428**

As at 30 September 2023, inventories had been recognised which were in line with the corresponding values at 31 March 2023.

Finally, below are reported the breakdown and the changes in the provision for write-down of inventories:

(in thousands of Euro)	**Provision at 31 March 2023**	**Use**	**Allocation**	**Provision at 30 September 2023**
Provision for write-down of raw materials	1,640	0	176	1,816
Provision for write-down of finished products	5,963	(837)	100	5,186
Total provision for write-down of inventories	**7,563**	**(837)**	**276**	**7,002**

The use of the provision for write-down of finished products recorded during the period arose from the sale of inventories, which had already been written down in previous financial periods.

Note 9 - Trade receivables

As at 30 September 2023, trade receivables were equal to Euro 38,214 thousand against Euro 28,251 thousand at 31 March 2023. The increase was mainly attributable to the combined effect of the typical seasonality in our sector and a strong growth in revenues recorded during the half-year.

The adjustment to the face value of receivables from customers at their presumed realisable value is obtained through a special provision for bad debts, whose changes, in the half-year under consideration, are shown in the table below:

(in thousands of Euro)	**Provision at 30 September 2023**	**Provision at 31 March 2023**
Balance at the beginning of the year	4,344	3,812
Accrual to provision	467	675
Uses	(15)	(143)
Total provision for bad debts	**4,796**	**4,344**

Note 10 – Other current assets

Below is reported the breakdown of other current assets:

(in thousands of Euro)	**30 September 2023**	**31 March 2023**
Other assets	2,850	1,817
Accrued income and prepaid expenses	4,377	4,997
Other current assets	**7,227**	**6,814**

Other assets mainly related to advances from suppliers for Euro 1,243 thousand, while the decrease of Euro 620 thousand in accrued income and prepaid expenses was mainly attributable to lower costs for advertising and marketing and lease rentals.

Note 11 - Derivative assets

As at 30 September 2023 there were derivative assets for Euro 781 thousand compared to Euro 808 thousand recorded at 31 March 2023.
We must note currency forward purchases (USD), the positive fair value of which was equal to Euro 162 thousand (compared to a positive value of Euro 2 thousand at 31 March 2023). The Piquadro Group hedges the exchange risk connected to purchases of raw materials in US dollars and for contract work done in China. In consideration for this risk, the Group makes use of instruments to hedge the associated interest rate risk, trying to fix the exchange rate at a level that is in line with the budget forecasts.
Furthermore, the value of derivative assets was made up of an amount of Euro 619 thousand relating to the valuation of Interest Rate Swap (IRS) derivative agreements entered into for the purposes of hedging fluctuations in interest rates on loans taken out at variable rate.
All derivatives have been accounted for as cash flow hedge under hedge accounting

Note 12 – Tax receivables

As at 30 September 2023, tax receivables were equal to Euro 1,367 thousand (Euro 1,301 thousand at 31 March 2023) and were mainly made up of the credit granted under the Patent Box benefit scheme concerning research, development and innovation activities, relating to the 2022-2023 financial year, for Euro 754 thousand, as well as for VAT credits of the Italian companies, the R&D tax credit for Euro 383 thousand and the credit for investments 4.0 for an amount of Euro 109 thousand.

(in thousands of Euro)	**30 September 2023**	**31 March 2023**
Income tax receivables	200	178
VAT Credit	128	711
Other tax receivables	1,263	411
Tax receivables	**1,591**	**1,301**

Note 13 – Cash and cash equivalents

The balance consists of cash and cash equivalents and the existence of money and cash on hand at the closing date of the periods. For a better understanding of the flows of the Company's liquidity, reference should be made to the Cash Flow Statement and the breakdown of Net Financial Position.
Below is reported the breakdown of cash and cash equivalents:

(in thousands of Euro)	**30 September 2023**	**31 March 2023**
Available current bank accounts	35,315	52,728
Cash, cash on hand and cheques	261	207
Cash and cash equivalents	**35,576**	**52,936**

LIABILITIES

NON-CURRENT LIABILITIES

Note 14 - EQUITY

Share capital

As at 30 September 2023, the Share Capital of Piquadro S.p.A. was equal to Euro 1,000 thousand and was represented by no. 50,000,000 ordinary shares, fully subscribed and paid up, with regular enjoyment, with no indication of their par value.

Share premium reserve

This reserve, which remained unchanged compared to the financial year ended at 31 March 2023, was equal to Euro 1,000 thousand.

Reserve for treasury shares

This reserve showed a negative value of Euro 4,219 thousand and was set aside against the 2,249,140 treasury shares in portfolio at 30 September 2023, while it showed a negative value of Euro 3,459 thousand at 31 March 2023.

Translation reserve

As at 30 September 2023 the translation reserve was positive for Euro 2,280 thousand (it reported a positive balance of Euro 2,781 thousand at 31 March 2023). This item is referred to the foreign exchange differences due to the consolidation of the companies with a relevant currency other than the Euro, i.e. Piquadro Hong Kong Co. Ltd. (the relevant currency being the Hong Kong Dollar), Uni Best Leather Goods Zhongshan Co. Ltd and Lancel Zhongshan (the relevant currency being the Chinese Renminbi), Piquadro Taiwan Co. Ltd (the relevant currency being the Taiwan Dollar), Lancel International S.A. (the relevant currency being the Swiss Franc), Piquadro UK Limited (the relevant currency being the Great Britain Pound) and OOO Piquadro Russia (the relevant currency being the Russian Rouble). The decrease of Euro 551 thousand in reserve was accounted for under Other Comprehensive Income (“OCI”), thus contributing to the formation of the Piquadro Group’s comprehensive result.

Fair value reserve - for cash flow hedge

This reserve was positive for Euro 581 thousand and included changes in fair value of the effective component of cash flow hedge derivatives, net of deferred taxation (at 31 March 2023 it showed a positive balance of Euro 611 thousand). The decrease of Euro 30 thousand in the reserve, due to a decrease in the fair value of derivatives entered into to hedge loans, was accounted for under Other Comprehensive Income (“OCI”), thus contributing to the formation of the Piquadro Group’s comprehensive result.

Reserve for actuarial gains/(losses) on defined-benefit plans

This reserve was negative for Euro 143 thousand (at 31 March 2023 it showed a negative balance of Euro 239 thousand). The increase of Euro 96 thousand in the reserve was accounted for under Other Comprehensive Income (“OCI”), thus contributing to the formation of the Piquadro Group’s comprehensive result.

Group Profit/(Loss)

This item relates to the recognition of the profit reported by the Group for the period, equal to Euro 4,126 thousand, in the half-year ended 30 September 2023.

Note 15 – Non-current borrowings

Below is the breakdown of non-current payables to banks:

(in thousands of Euro)	**30 September 2023**	**31 March 2023**
Borrowings from 1 to 5 years	9,658	14,399
Borrowings beyond 5 years	0	0
Medium/long-term borrowings	**9,658**	**14,399**

Below is the breakdown of the loans::

(in thousands of Euro)	**Interest rate**	**Date of granting of the loan**	**Initial amount**	**Currency**	**Current borrowings**	**Amort. cost (S/T)**	**Non-current borrowings**	**Amort. cost (L/T)**	**Total**
PQ SPA- BPER (5 million)	0.70%	27-Nov-18	5,000,000	Euro	480	(1)	281	(0)	760
PQ SPA- BNL (5 million)	0.60%	22-Jun-22	5,000,000	Euro	833	(1)	-	-	833
PQ SPA- MPS (5 million)	0.70%	16-Nov-18	5,000,000	Euro	1,000	(1)	-	-	999
PQ SPA- UNICREDIT (5 million)	0.50%	18-Oct-19	5,000,000	Euro	1,006	(2)	758	(0)	1,762
PQ SPA- UNICREDIT (5 million)	0.63%	11-Sep-20	5,000,000	Euro	2,001		500		2,501
PQ SPA- INTESA SANPAOLO (5 million)	0.1%	24-Jan-20	5,000,000	Euro	1,000		1,250		2,250
PQ SPA- INTESA SANPAOLO (6.25 million)	0.3%	27-Jul-20	6,250,000	Euro	1,786	(2)	1,785	(1)	3,569
PQ SPA- INTESA SANPAOLO (6 million)	0.2%	27-Jan-22	6,000,000	Euro	1.500	(2)	2,250	(1)	3,748
PQ SPA- SIMEST loan no. 32352	0.1%	20-Jan-21	700,000	Euro	175		525		700
The Bridge - Intesa Sanpaolo	0.9% + 3-month EURIBOR	27-Jan-22	5,650,000	Euro	1,642	(1)	1,890	(1)	3,531
The Bridge - SIMEST	0.55%	29-Apr-21	480,000	Euro	60		420		480
					11,483	**(8)**	**9,660**	**(3)**	**21,131**

There are no covenants on these borrowings.

Note 16 – Payables to other lenders for lease agreements

Below is reported the following breakdown:

(in thousands of Euro)	**30 September 2023**	**31 March 2023**
Non-current portion:		
Lease liabilities	19,419	23,868
Current portion:		
Lease liabilities	20,412	17,225
Payables to other lenders for leases	**39,831**	**41,093**

As at 30 September 2023 the item under consideration was classified among non-current Lease liabilities for Euro 19,419 thousand and among current liabilities for Euro 20,412 thousand. The reduction compared to 31 March 2023 related to the rentals paid during the period, partially offset by the execution of new lease agreements relating to the sales outlets.

Note 17 – Other non-current liabilities

Below is the related breakdown:

(in thousands of Euro)	**30 September 2023**	**31 March 2023**
Other payables	5,792	5,944
Other non-current liabilities	**5,792**	**5,944**

"Other payables", equal to Euro 5,792 thousand at 30 September 2023 included the fair value of the Annual Earn-Out, equal to Euro 3,637 thousand, to be paid to Richemont Holdings SA against the acquisition of the investment consisting of the entire capital of Lancel International SA. These amounts were calculated by an independent expert on the basis of the Plans prepared by the Management staff at the reporting date of financial statements at 31 March 2023 and remained unchanged as at 30 September 2023, since there were no circumstances that determined the need to modify the parameters used for their determination.

Note 18 – Provision for Employee Benefits

This item includes post-employment benefits measured by using the actuarial valuation method of projected unit credit made by an independent actuary based on IAS 19. The actuarial assumptions used for calculating the provision are not changed compared to the information reported in the paragraph *Accounting standards – Provision for employee benefits* in the Notes to the consolidated financial statements at 31 March 2023.
The value of the provision at 30 September 2023 amounted to Euro 3,765 thousand (Euro 3,764 thousand at 31 March 2023).

Note 19 – Provisions for risks and charges

Below are the changes in provisions for risks and charges at 30 September 2023:

(in thousands of Euro)	**Provision at 31 March 2023**	**Use**	**Allocation**	**Provision at 30 September 2023**
Provision for supplementary clientele indemnity	1,666	0	119	1,785
Other provisions for risks	1,175	(238)	437	1,374
Total	**2,841**	**(238)**	**556**	**3,159**

The "Provision for supplementary clientele indemnity" represents the potential liability with respect to agents in the event of Group companies' terminating agreements or agents retiring.
The balance of this provision amounted to Euro 1,785 thousand at 30 September 2023, showing an increase of Euro 119 thousand compared to 31 March 2023 (Euro 1,666 thousand).

"Other Provisions for risks" amounted to Euro 1,374 thousand at 30 September 2023 and are made up as follows:

- *Provision for returns,* Euro 545 thousand (Euro 538 thousand at 31 March 2023);
- *Provision for taxes*, Euro 70 thousand (unchanged compared to 31 March 2023);
- *Provision for product warranty and repair*, Euro 10 thousand (unchanged compared to 31 March 2023);
- *Provision for Legal Disputes/Employees*, Euro 749 thousand (Euro 521 thousand at 31 March 2023): the provision mainly related to the amount set aside for legal risks and disputes with employees.

CURRENT LIABILITIES

Note 20 – Current borrowings

Below is the breakdown of current payables to banks:

(in thousands of Euro)	**30 September 2023**	**31 March 2023**
Current borrowings	11,474	12,921
Other current financial liabilities	1,200	0
Current borrowings	**12,674**	**12,921**

As at 30 September 2023 current borrowings were equal to Euro 12,674 thousand against Euro 12,921 thousand at 31 March 2023. The balance related to the current portion of loans.
For more information, reference should be made to Note 15 above.

Note 21 - Payables to other lenders for lease agreements

As at 30 September 2023 this item amounted to Euro 20,412 thousand (Euro 17,225 thousand at 31 March 2023). The change in this item has been described in Note 16.

NET FINANCIAL POSITION

The table below reports the breakdown of the Net Financial Position, as determined according to the ESMA scheme (as required by CONSOB Warning Notice no. 5/21 of 29 April 2021):

(in thousands of Euro)	**30 September 2023**	**31 March 2023**	**30 September 2022**
(A) Cash	35,576	52,935	48,066
(B) Cash equivalents	0	0	0
(C) Other current financial assets	781	808	835
of (D) Liquidity (A) + (B) + (C)	**36,357**	**53,743**	**48,901**
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(20,412)	(17,225)	(18,616)
(F) Current portion of non-current financial debt	(12,674)	(12,921)	(14,043)
(G) Current borrowings (E) + (F)	**(33,086)**	**(30,146)**	**(32,659)**
(H) Current Net Financial Position (G) - (D)	**3,271**	**23,597**	**16,242**
(I) Non-current financial debt (excluding current portion and debt instruments)	(29,077)	(38,267)	(53,008)
(J) Debt instruments	0	0	0
(K) Trade payables and other non-current payables	(3,637)	(3,637)	(4,007)
(L) Non-current Net Financial Position (I) + (J) + (K)	**(32,714)**	**(41,904)**	**(57,015)**
(M) Total Net Financial Position (H) + (L)	**(29,443)**	**(18,307)**	**(40,773)**

The Piquadro Group's Net Financial Position posted a negative value of Euro (29.4) million during the half-year ended 30 September 2023.
The impact of the adoption of the accounting standard IFRS 16 was negative for Euro (39.8) million.
The Piquadro Group's adjusted Net Financial Position was positive and equal to Euro 10.4 million, in line with the value of the adjusted Net Financial Position recorded at 30 September 2022 (Euro 10.4 million).

The changes that had an impact on the substantial invariance of the adjusted Net Financial Position were due to the combined effect of investments in intangible assets, property, plant and equipment and non-current financial assets for about Euro 3 million, the purchase of treasury shares for about Euro 1.2 million, the payment of dividends of Euro 5 million and free cash inflows of about Euro 17.7 million.

Note 22 – Derivative liabilities

There were no derivative liabilities at 30 September 2023, as occurred at 31 March 2023.

Note 23 - Trade payables

Below is the breakdown of current trade payables:

(in thousands of Euro)	**30 September 2023**	**31 March 2023**
Payables to suppliers	**32,978**	**36,233**

As at 30 September 2023 payables to suppliers amounted to Euro 32,978 thousand, showing a reduction compared to the amount of Euro 36,233 thousand posted at 31 March 2023.

Note 24 – Other current liabilities

(in thousands of Euro)	**30 September 2023**	**31 March 2023**
Payables to social security institutions	1,720	2,125
Payables to pension funds	388	384
Other payables	1,677	1,144
Payables to employees	5,681	5,825
Advances from customers	111	166
Accrued expenses and deferred income	183	186
Other current liabilities	**9,761**	**9,830**

"Other current liabilities", totalling Euro 9,761 thousand, showed a decrease of Euro 69 thousand compared to 31 March 2023.
The item included: payables to social security institutions, which mainly related to the Parent Company, The Bridge and Lancel Sogedi's payables due to INPS (Italian Social Security Institute) and payables to employees at 30 September 2023, equal to Euro 5,681 thousand (Euro 5,825 thousand at 31 March 2023), which mainly included payables for remuneration, premiums to be settled and deferred charges with respect to employees.

Note 25 – Tax payables

Tax payables mainly related to direct tax debt (IRES (Corporate Income) and IRAP (Regional Production Activity) tax) for an amount of Euro 4.7 million, VAT for Euro 1.3 million and IRPEF (Personal Income) tax for Euro 493 thousand.

COMMENTS ON THE MAIN INCOME STATEMENT ITEMS

Note 26 – Revenues from sales

The breakdowns of revenues by Brand and by geographical area are reported below.

Breakdown of revenues by Brand

In relation to the breakdown of revenues from sales by distribution channel, reference should be made to the Directors' Report on the performance of operations.
The Group's revenues are mainly realised in Euro.

Brand *(in thousands of Euro)*	**Revenues from sales at 30 September 2023**	**%(*)**	**Revenues from sales at 30 September 2022**	**%(*)**	**% Change 2023/2022**
PIQUADRO	39,513	*46.0%*	35,245	43.9%	12.1%
THE BRIDGE	16,592	*19.3%*	14,943	18.6%	11.1%
LANCEL	29,834	*34.7%*	30,048	37.5%	(0.7)%
Total	**85,940**	**100.0%**	**80,236**	**100.0%**	**7.1%**

Revenues recorded in the first six months of the 2023/2024 financial year, ended 30 September 2023, related to the Piquadro brand, amounted to Euro 39.5 million, up by 12.1% compared to the same period ended 30 September 2022, including the effect of exchange rate changes (+13.5% at constant exchange rates). The wholesale channel showed an increase of 17.5% while DOSs showed growth of 8.0%, including the effect of exchange rate changes (+12.0% at constant exchange rates).

Revenues recorded in the first six months of the 2023/2024 financial year, ended 30 September 2023, related to the The Bridge brand, amounted to Euro 16.6 million, up by 11.0% compared to the same period ended 30 September 2022. The wholesale channel recorded an increase of 8.0%, while DOSs showed growth of 24.6%.

Revenues from sales achieved by Maison Lancel in the first six months of the 2023/2024 financial year, ended 30 September 2023, amounted to Euro 29.8 million, showing a slight decrease of 0.7% compared to the same period ended 30 September 2022, including the effect of exchange rate changes (+0.8% at constant exchange rates). The performance recorded by the Lancel brand was affected by the specific situation of the domestic market - where the Maison achieves more than 90% of its revenues - which had been impacted by the recent protests in France, especially in the first quarter of the period, as well as by the closure of some stores (with an impact of about 2.8% on total sales). On the contrary, the reopening of the Asian market led, in the first half of the 2023/2024 financial year, ended 30 September 2023, to an increase of about 38% in sales from Chinese stores, including the effect of exchange rate changes (+53% at constant exchange rates), although, in absolute terms, these values are still not so significant compared to the total turnover achieved by the Maison.

Breakdown of revenues by geographical area

The table below reports the breakdown of net revenues by geographical area:

Geographical area *(in thousands of Euro)*	**Revenues from sales at 30 September 2023**	**%(*)**	**Revenues from sales at 30 September 2022**	**%(*)**	**% Change 2023/2022**
Italy	41,773	48.6%	37,189	46.3%	12.3%
Europe	40,669	47.3%	40,919	51.0%	(0.6)%
Rest of the World	3,497	4.1%	2,128	2.7%	64.4%
Total	**85,940**	**100.0%**	**80,236**	**100.0%**	**7.1%**

From a geographical point of view the Piquadro Group recorded a turnover of Euro 41.8 million in the Italian market, equal to 48.6% of consolidated sales (46.3% of consolidated sales at 30 September 2022), up by 12.3% compared to the same period in the 2022/2023 financial year.

In the European market, the Group recorded a turnover of Euro 40.7 million, equal to 47.3% of consolidated sales (51.0% of consolidated sales at 30 September 2022), showing a slight decrease of 0.6% compared to the same period in the 2022/2023 financial year (+0.9% at constant exchange rates).

In the non-European geographical area (named "Rest of the World"), the Piquadro Group recorded a turnover of Euro 3.5 million, equal to 4.1% of consolidated sales (2.7% of consolidated sales at 30 September 2022), up by 64.4% compared to the same period of the 2022/2023 financial year (+73.3% at constant exchange rates).
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Note 27 – Other income

In the half-year ended 30 September 2023, other income amounted to Euro 2,534 thousand (Euro 666 thousand in the half-year ended 30 September 2022) and was broken down as follows:

(in thousands of Euro)	**30 September 2023**	**30 September 2022**
Charge-backs of transport and collection expenses	43	40
Insurance and legal refunds	110	3
Other sundry income	2,381	622
Other Income	**2,534**	**666**

In the half-year ended 30 September 2023, other income came to Euro 2,534 thousand (Euro 666 thousand in September 2022), of which an amount of Euro 91 thousand related to the Piquadro brand, Euro 153 thousand related to The Bridge brand and about Euro 2 million related to the Lancel brand, mainly arising from the sale of the store located at Rond-Point in Paris.

Note 28 – Change in inventories

The change in inventories was positive in the half-year ended 30 September 2023 for Euro 469 thousand compared to the half-year ended 30 September 2022, when it was positive for an amount of Euro 709 thousand, with a net difference of Euro 240 thousand between the two periods.

Note 29 – Costs for purchases

In the half-year ended 30 September 2023, costs for purchases were equal to Euro 17,368 thousand (Euro 18,223 thousand in the half-year ended 30 September 2022). The increase was mainly linked to a recovery in production, which was closely connected to an increase in product demand. The item essentially includes the cost of materials used for the production of corporate goods and of the consumables for the Group's brands (Piquadro, The Bridge and Lancel).

Note 30 – Costs for services and leases and rentals

Below is the breakdown of costs for services:

(in thousands of Euro)	**30 September 2023**	**30 September 2022**
Third-party manufacturing and services for production	13,440	10,788
Advertising and marketing	4,997	3,907
Administrative/business/transport services	10,384	10,775

Total Costs for services	**28,821**	**25,470**
Costs for leases and rentals	5,936	5,907
Costs for services and leases and rentals	**34,757**	**31,377**

The increase in third-party manufacturing and transport services costs was linked to a recovery in production as a result of an increase in product demand recorded in the half-year ended 30 September 2023.

Costs for leases and rentals, equal to Euro 5,936 thousand, related to fully variable lease rentals, specifically for some shops of subsidiary Lancel Sogedi, with a term of less than the financial year for which IFRS 16 is not applicable. The increase compared to the previous half-year was closely linked to higher sales reported by each point of sale.

Note 31 – Personnel costs

Below is reported the breakdown of personnel costs:

(in thousands of Euro)	**30 September 2023**	**30 September 2022**
Wages and salaries	16,037	15,892
Social security contributions	3,894	3,879
Employee Severance Pay	1,185	1,236
Personnel costs	**21,116**	**21,007**

The table below reports the exact number by category of employees:

Category	**30 September 2023**	**30 September 2022**	**31 March 2023**
Executives	9	10	9
Office workers	796	776	781
Manual workers	244	243	249
Total	**1,049**	**1,029**	**1,039**

In the half-year ended 30 September 2023, personnel costs reported an increase of 0.5%, from Euro 21,007 thousand in the half-year ended 30 September 2022 to Euro 21,116 thousand in the half-year ended 30 September 2023. The Group did not implement redundancy and wage supplement schemes for any of the Group companies throughout the first half-year ended 30 September 2023.

To supplement the information provided, below is also reported the average number of employees for the half-years ended 30 September 2023 and 30 September 2022 and for the financial year ended 31 March 2023:

Average unit	**30 September 2023**	**31 March 2023**	**30 September 2022**
Executives	9	10	10
Office workers	792	775	775
Manual workers	248	250	250
Total for the Group	**1,049**	**1,035**	**1,035**

Note 32 – Amortisation, depreciation and write-downs

In the half-year ended 30 September 2022, amortisation, depreciation and write-downs were equal to Euro 8,433 thousand (Euro 8,157 thousand in the half-year ended 30 September 2022).
It should be noted that the amortisation or depreciation rate of Euro 5,572 thousand relates to the adoption of the accounting standard IFRS 16 (compared to Euro 5,878 thousand in the half-year ended 30 September 2022). The Piquadro Group's amortisation and depreciation amounted to Euro 2,319 thousand in the half-year ended 30 September 2023 (compared to Euro 2,050 thousand in the half-year ended 30 September 2022), net of the impact of the accounting standard IFRS 16.

The accrual to the provision for bad debts, equal to Euro 468 thousand at 30 September 2023 (Euro 387 thousand in the half-year ended 30 September 2022), showed an increase compared to the first half of previous financial year.

As at 30 September 2023 the Group carried out an analysis aimed at assessing the recoverability of right-of-use assets, as well as of intangible assets and property, plant and equipment attributable to each directly-operated store (DOS), which showed indicators of impairment. This analysis revealed impairment losses for some directly-operated stores, for which the respective assets were written down by a total of Euro 286 thousand, in relation to rights of use (IFRS 16), since, at present, it is not reasonably foreseeable that they will be recovered through prospective cash flows. In particular, impairment tests were carried out for all those outlets for which the Management had reported evidence of impairment indicators. An impairment of Euro 370 thousand had been accounted for as at 30 September 2022.
Net write-downs amounted to Euro 74 thousand, as they were partially offset by a reversal of value resulting from the derecognition of a right of use, which had previously been written down. As a result of a similar reversal of value, with a higher value than the impairment accounted for, an overall improving effect on the result for Euro 158 thousand had been recorded as at 30 September 2022.

Note 33 – Other operating costs

Other operating costs in the half-year ended 30 September 2023 came to Euro 557 thousand (Euro 454 thousand at 30 September 2022), attributable to the current operations of the Group.

Note 34 - Financial income

In the half-year ended 30 September 2023, financial income was equal to Euro 866 thousand compared to Euro 2,468 thousand in the half-year ended 30 September 2022.

Note 35 - Financial costs

Below is the breakdown of financial costs:

(in thousands of Euro)	**30 September 2023**	**30 September 2022**
Interest payable on current accounts	58	39
Financial costs on loans	184	149
Other charges	26	27
Net financial costs on defined-benefit plans	3	15
Charges on assets and rights of use	476	565
Foreign exchange losses (both realised and estimated)	951	2,014
Financial costs	**1,698**	**2,810**

There was a decrease of Euro 951 thousand in foreign exchange losses compared to Euro 2,014 thousand at 30 September 2022.

Note 36 – Income taxes

Below is reported the breakdown of income taxes:

(in thousands of Euro)	**30 September 2023**	**30 September 2022**
IRES tax and other income taxes	2,086	1,673
IRAP tax	365	318
Deferred tax liabilities	(710)	30
Deferred tax assets	14	100
Total Taxes	**1,754**	**2,121**

Taxes accrued for the period are determined on the profits achieved by each Group company, and no income for deferred tax assets has been accounted for on the losses recorded by individual other Group companies on a prudential basis, in continuity with previous periods, given the relative likelihood of generation of future taxable income, against which it would be possible to use tax losses.

Note 37 – Earnings (loss) per share

As at 30 September 2023, basic earnings per share amounted to Euro 0.086 and were calculated on the basis of the consolidated Result for the period attributable to the Group, equal to Euro 4,126 thousand, divided by the weighted average number of ordinary shares outstanding in the half-year, equal to 47,967,193 thousand shares.

(in thousands of Euro)	**30 September 2023**	**30 September 2022**
Group profit (loss)	4,126	(70)
Average number of outstanding ordinary shares	47,967	48,322
Basic and diluted earnings (loss) per share (in Euro)	**0.086**	**(0.0014)**

Note 38 - Segment reporting

In order to provide disclosures regarding the results of operations, financial position and cash flows by segment (Segment Reporting), the Piquadro Group's Management has reviewed, in operational terms, the Group's results of operations, reporting them for each brand (Piquadro, The Bridge, Lancel).
The table below illustrates the segment data of the Piquadro Group broken down by Brand: Piquadro, The Bridge and Lancel, relating to the half-years ended 30 September 2023 and 30 September 2022. The segment economic performance is monitored by the Company's Management up to the "Segment result before amortisation and depreciation".

	30 September 2023					**30 September 2022**				
(in thousands of Euro)	**Piquadro**	**The Bridge**	**Lancel**	**Total for the Group**	**% impact (*)**	**Piquadro**	**The Bridge**	**Lancel**	**Total for the Group**	**% impact (*)**
Revenues from sales	**39,513**	**16,592**	**29,834**	**85,940**	**100%**	**35,245**	**14,943**	**30,048**	**80,236**	**100%**
Segment result before amortisation and depreciation	9,361	3,742	1,574	14,677	17.1%	7,586	2,818	(241)	10,163	12.7%
Amortisation and depreciation				(7,965)	9.3%				(7,770)	9.7%
Operating result				**6,712**	**7.8%**				**2,393**	**3.0%**
Financial income and costs				(832)	(1.0%)				(342)	(0.4%)
Profit (loss) before tax				**5,880**	**6.8%**				**2,051**	**2.6%**
Income taxes				(1,754)	(2.0%)				(2,121)	(2.6%)
Group net profit for the half-year				**4,126**	**(4.8%)**				**(70)**	**(0.1%)**

Note 39 – Related-party transactions

The Piquadro Group operates in the leather goods market and designs, produces and markets articles under its own brand.

On 18 November 2010 Piquadro S.p.A. adopted, pursuant to and for the purposes of article 2391-*bis* of the Italian Civil Code and of the "Regulation on transactions with Related Parties" as adopted by CONSOB Resolution, the procedures on the basis of which Piquadro S.p.A. and its subsidiaries operate to complete transactions with Related Parties of Piquadro S.p.A. itself.
On 15 June 2021 the Board of Directors of Piquadro S.p.A. adopted the new procedure governing Related-party transactions, which was also set out by considering the instructions given by CONSOB for the application of the new rules by resolution no. 2164 of 10 December 2020.

The Directors report that, in addition to Piqubo S.p.A., Piquadro Holding S.p.A. and Palmieri Family Foundation, there are no other Related Parties (pursuant to IAS 24) of the Piquadro Group.

Piqubo S.p.A., the ultimate parent company, charged Piquadro the rent relating to the use of the plant located in Riola di Vergato (Province of Bologna) as a warehouse and to the Showroom in Milan for the Lancel Brand.

On 29 June 2012 a lease agreement was entered into between Piquadro Holding S.p.A. and Piquadro S.p.A., concerning the lease of a property to be used as offices and located in Milan, Piazza San Babila no. 5, used as a Showroom of Piquadro S.p.A. This lease agreement has been entered into at arm's length.

In the first half-year of the 2023/2024 financial year, no transactions were effected with Palmieri Family Foundation which is a non-profit foundation, whose founder is Marco Palmieri and which has the purpose of promoting activities aimed at the study, research, training, innovation in the field for the creation of jobs and employment opportunities for needy people.
Below is reported the breakdown of the main financial relations maintained with related entities:

	Receivables		**Payables**	
(in thousands of Euro)	**30 September 2023**	**31 March 2023**	**30 September 2023**	**31 March 2023**
Financial relations with Piqubo S.p.A.	0	0	0	0
Financial relations with Piquadro Holding S.p.A.	0	0	0	0
Financial relations with Palmieri Family Foundation	0	0	0	0
Total Receivables from and Payables to related entities	**0**	**0**	**0**	**0**

The table below reports the breakdown of the economic relations with these related entities in the first half of the 2023/2024 and 2022/2023 financial years:

	Costs		**Revenues**	
(in thousands of Euro)	**30 September 2023**	**30 September 2022**	**30 September 2023**	**30 September 2022**
Economic relations with Piqubo S.p.A.	130	145	0	0
Economic relations with Piquadro Holding S.p.A.	165	184	0	0
Economic relations with Palmieri Family Foundation	0	0	0	0
Total costs and revenues to related entities	**295**	**329**	**0**	**0**

Fees due to the Board of Directors

The table below reports the fees (including emoluments as Directors and current and deferred remuneration, including in kind, as employees) due to Directors of Piquadro S.p.A., in relation to the first half of the 2023/2024 financial year, for the performance of their duties in the Parent Company and other Group companies, and the fees accrued by any Executives with strategic responsibilities (as at 30 September 2023, the Directors had not identified Executives with strategic responsibilities):

(in thousands of Euro)

First and last name	Position held	Period in which the position was held	Term of office	Fees due for the position	Non-cash benefits	Bonuses and other incentives	Other fees	Total
Marco Palmieri	Chairman and CEO	01/04/23-30/09/23	2025	250	4	-	76	**330**
Pierpaolo Palmieri	Vice-Chairman–Executive Director	01/04/23-30/09/23	2025	125	2	-	1	**128**
Roberto Trotta*	Executive Director	01/04/23-30/09/23	2025	0	2	-	131	**133**
Francesco Giovagnoni*	Executive Director	01/04/23-30/09/23	2025	-	2	-	101	**103**
Catia Cesari	Independent Director	01/04/23-30/09/23	2025	9	-	0	4	**13**
Barbara Falcomer	Executive Director	01/04/23-30/09/23	2025	9	-	-	4	**13**
Valentina Beatrice Manfredi	Independent Director	01/04/23-30/09/23	2025	9	-	0	1	**10**
				402	**10**	**-**	**318**	**730**

* They waived their fees for the period from 1 April 2023 to 30 September 2023.

Events after the reporting date

On 7 October 2023 an armed conflict between Israel and Palestine broke out, still ongoing, which exacerbated the macroeconomic uncertainties that were already seen in the international scenario.

The limited contribution in terms of sales generated in the territory affected by the conflict, and the absence of suppliers located there, did not result in any significant direct impact on the Piquadro Group. More difficult to estimate are the indirect impacts that could result from the continuation of the conflict, in terms of a further slowdown in economy and consumption.

No other significant events are reported which occurred after the reporting date.

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CERTIFICATION ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended and supplemented

The undersigned Marco Palmieri, in his capacity as Chief Executive Officer, and Roberto Trotta, in his capacity as the Financial Reporting Manager of Piquadro S.p.A., certifies, also taking account of the provisions under Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- adequacy in relation to the characteristics of the Company and
- actual application of administrative and accounting procedures for the preparation of the consolidated financial statements in the course of the half-year April 2023-September 2023.

The evaluation of the adequacy of administrative and accounting procedures for the preparation of the consolidated half-yearly condensed financial statements at 30 September 2023 has been based on a process defined by Piquadro S.p.A. consistently with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission which represents a reference framework generally accepted at international level.

It is also certified that the half-yearly condensed consolidated financial statements at 30 September 2023:

- have been prepared in accordance with the applicable international accounting standards acknowledged by the European Union pursuant to regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and in particular to IAS 34 – Interim Financial Reporting, as well as with the measures issued to implement Article 9 of Legislative Decree no. 38/2005;
- correspond to the results in the accounting books and records;
- have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union, as well as with the measures issued to implement Article 9 of Legislative Decree no. 38/2005, and, as far as we know, are suitable to give a true and correct representation of the equity, economic and financial position of the Issuer and of all the companies included in the scope of consolidation.

The half-year report on operations includes a reliable analysis of the references to the significant events that occurred during the first six months of the financial year and of their impact on the half-yearly condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The half-year report on operations also includes a reliable analysis of the information on significant transactions with Related Parties.

Silla di Gaggio Montano (BO), 23 November 2023

Marco Palmieri
Chief Executive Officer

Marco Palmieri

Roberto Trotta
Financial Reporting Manager

Roberto Trotta

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

To the Shareholders of
Piquadro S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Piquadro S.p.A. and subsidiaries (the "Piquadro Group"), which comprise the statement of financial position as of September 30, 2023 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of the half yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half yearly condensed consolidated 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 half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated 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 half-yearly condensed consolidated financial statements of the Piquadro Group as of September 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
Stefano Montanari
Partner

Bologna, Italy
December 1, 2023

This 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.