CONSOLIDATED HALF-YEAR FINANCIAL REPORT ON 30 SEPTEMBER 2022

PIQUADRO

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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

Introduction

The consolidated half-year financial report at 30 September 2022 (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-year 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 2022. 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-year report on operations must therefore be read together with the Financial Statements and the related Notes.

It should be noted that this half-year 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 financial year, 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 2022 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 2022

- **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*

- **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*

- **LEAD INDEPENDENT DIRECTOR**
  Catia Cesari

- **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)

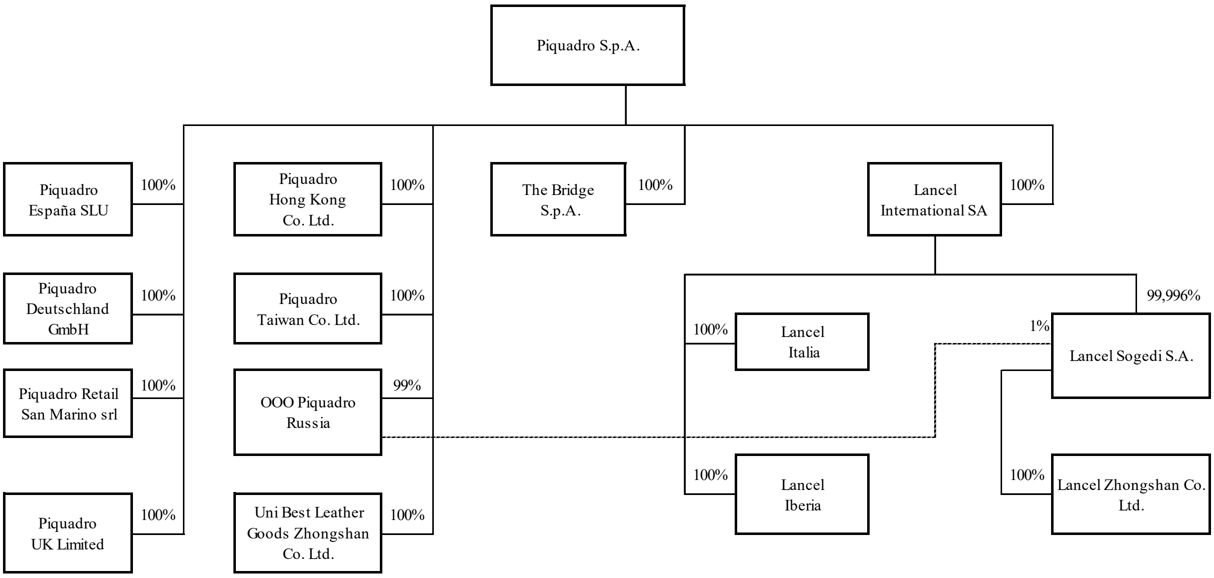
  Deloitte & Touche S.p.A.

- **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 2022:



HALF-YEAR REPORT ON OPERATIONS AT 30 SEPTEMBER 2022

Significant events for the half-year ended 30 September 2022

On 25 July 2022 the Shareholders' Meeting of Piquadro S.p.A. (hereinafter also referred to as the "Company") approved the Financial Statements at 31 March 2022 and the distribution of a unit dividend of Euro 0.082693 to its shareholders, for a total amount of about Euro 4 million, while taking account of the outstanding Piquadro ordinary shares equal to 48,371,349 and 1,628,651 treasury shares held by Piquadro at the reporting date. The dividend was paid from 3 August 2022, with detachment of coupon no. 13 on 1 August 2022.

The ordinary Shareholders' Meeting:

- appointed the new Board of Directors, composed of Marco Palmieri, Pierpaolo Palmieri, Roberto Trotta, Francesco Giovagnoni, Catia Cesari, Barbara Falcomer and Valentina Beatrice Manfredi, which will hold office for three financial periods, and precisely until the approval of the financial statements at 31 March 2025;

- confirmed the appointment of Marco Palmieri as Chairman of the Board of Directors and set total annual fees of Euro 850,000, as emolument for the Directors, to be distributed by the Board to all the Directors, including those holding special offices, without prejudice to the Board's right to attribute additional variable remuneration to the Directors holding special offices;

- appointed the new Board of Statutory Auditors, composed of Patrizia Lucia Maria Riva (Chairman), Maria Stefania Sala and Giuseppe Fredella as Standing Auditors, as well as of Giacomo Passaniti and Roberto Scialdone as Alternate Auditors, which will hold office for three financial periods, and precisely until the approval of the financial statements at 31 March 2025;

- set the remuneration of the entire Board of Statutory Auditors at a maximum amount of Euro 58,000 p.a., in addition to a supplementary contribution prescribed by law and the reimbursement of expenses incurred in the performance of their duties.

The Shareholders' Meeting also approved:

- the First Section of the Remuneration Report that describes the Company's Policy governing the fees payable to Directors and key Management members for the financial period that will end on 31 March 2023, describing the remuneration due to the Company's Directors, Board of Statutory Auditors' members and key Management members, 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), giving its favourable opinion on the Second Section of the Remuneration Report and the fees paid in accordance with the aforesaid Article 123-*ter*, paragraph 4, of the TUF;

- the decision to authorise 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 authorisation for the purchase of shares is given until the approval of the financial statements at 31 March 2023 with effect from the date of this resolution.

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 limit 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 authorisation, pursuant to and for the purposes of Article 2357-*ter* of the Italian Civil Code, 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 disposition of shares is authorised with effect from the date of this resolution, without any time limit.
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.

As at 24 November 2022, Piquadro S.p.A. held 1,754,180 treasury shares, equal to 3.5084% of the share capital, while its subsidiaries did not hold any share in the Parent Company.

The first six months of the financial period ended 30 September 2022 were not affected by any store closure, except with regard to Lancel's operations in China, a country where strict containment measures are still in place to prevent the spread of infections, which resulted in the partial closure of stores for a limited period of time with an impact on the performance of local sales.
The Piquadro Group continued to monitor the evolution of the COVID-19 emergency, although the trends in sales were steadily on the rise in the six-month period ended 30 September 2022. There are still margins of uncertainty, especially regarding the possible transmission of new variants of the virus, thus continuing to affect the mobility of international customers. In such an environment, our Management has maintained safety standards consistent with regulatory guidance designed to protect the health and safety of employees and continues to have a significant focus on reducing operating costs and safeguarding liquidity, as well as to seize significant growth opportunities related to the economic recovery.

The Russian Federation's decision to invade Ukraine on 24 February triggered a series of consequences in economic and financial terms worldwide. In the first months, this conflict, which is still ongoing, caused high volatility, even in terms of currencies, which was then offset by a more stable Euro/Rouble exchange rate at a level of about Roubles 60 to Euro 1, and 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 initially suspended logistics and invoicing operations to the Russian subsidiary, 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 mentioned above, 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.
On the other hand, indirect impacts include increases in the costs of various raw materials, such as gas and oil, from which further growth in inflation may result, reverberating on consumer products and consequently affecting GDP growth and the spending capacity of the population.

In the first six months of the 2022/2023 financial period, the Piquadro Group continued its sales to wholesale customers in the Russian Federation, while also keeping all directly-operated retail stores open. The Piquadro Group's sales in Russia accounted for 4.4% of consolidated turnover in the first six months ended 30 September 2022 (4.1% at 31 March 2022).
As at the same date, the assets held by the Group in Russia amounted to about Euro 6.8 million, mainly relating to (*i*) rights of use pertaining to points of sales (Euro 1.8 million, net of write-downs made for Euro 0.2 million during the six-month period), (*ii*) inventories (Euro 1.6 million), (*iii*) cash and cash equivalents (Euro 1.63 million), (*iv*) receivables (Euro 0.7 million), (*v*) property, plant and equipment (Euro 0.4 million), (*vi*) non-current financial assets (Euro 0.3 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, all business development activities, including the opening of new stores, have been temporarily suspended; 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) 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 because 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 2022 and at 30 September 2021:

Economic and financial indicators *(in thousands of Euro)*	**30/09/2022**	**30/09/2021**
Revenues from sales	80,236	63,690
EBITDA	10,163	8,479
Adjusted EBITDA	3,919	1,725
EBIT	2,393	408
Adjusted EBIT	1,825	(190)
Profit / (Loss) before tax	2,051	(475)
Group Profit / (Loss) for the period	(70)	(1,465)
Amortisation and depreciation, provisions, and write-downs	8,157	8,455
Cash generation (Group net profit, including amortisation and depreciation, write-downs)	8,087	6,990
Adjusted Net Financial Position	10,363	6,443
Net Financial Position	(40,773)	(45,435)
Equity	56,276	52,664

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)*	**30/09/2022**	**30/09/2021**
Operating result	2,393	408
Amortisation, depreciation and write-downs	7,770	8,071
EBITDA	**10,163**	**8,479**
Adjusted EBITDA	**3,919**	**1,725**

Adjusted EBITDA, which is defined as EBITDA, excluding the effects arising from the adoption of IFRS 16, posted a profit of Euro 3.9 million, showing an improvement of about Euro 2.2 million compared to Euro 1.7 million recorded during the first 2021/2022 half-year.

The Piquadro brand's adjusted EBITDA amounted to a profit of Euro 5.1 million during the half-year ended 30 September 2022, compared to a profit of Euro 2.5 million at 30 September 2021; The Bridge brand's adjusted EBITDA amounted to a profit of Euro 2.1 million during the half-year ended 30 September 2022, up by Euro 0.8 million compared to the figure in September 2021, equal to Euro 1.3 million; Maison Lancel's adjusted EBITDA amounted to a loss of Euro 3.2 million during the half-year ended 30 September 2022, showing a decline of Euro 1.2 million compared to the same figure in September 2021, with a loss of about Euro 2 million.

Financial indicators *(in thousands of Euro)*	**30/09/2022**	**30/09/2021**
EBIT	2,393	408
Adjusted EBIT	1,825	(190)

In applying IFRS 16, the Piquadro Group recorded a positive EBIT of about Euro 2.4 million during the half-year ended 30 September 2022, showing an improvement of about Euro 2.0 million compared to Euro 0.4 million recorded during the half-year ended 30 September 2021.

Adjusted EBIT, which is defined as EBIT, excluding the effects arising from the adoption of IFRS 16, posted a positive value of Euro 1.8 million, showing an improvement of about Euro 2.0 million compared to a loss of Euro 0.2 million recorded during the half-year ended 30 September 2021.

Financial indicators *(in thousands of Euro)*	**30/09/2022**	**30/09/2021**
Net Result/ (Loss) for the period	**(70)**	**(1,465)**

The Piquadro Group posted a Group loss of Euro 70 thousand during the half-year ended 30 September 2022, showing an improvement of about Euro 1.4 million compared to a loss of Euro 1.5 million recorded at 30 September 2021.

The Piquadro Group's Results of operations

In the first six months of the 2022/2023 financial year the Group reported a sales performance increasing by 26.0% compared to the same period in the 2021/2022 financial year. In the half-year ended 30 September 2022, the Piquadro Group reported, in fact, net sales revenues equal to Euro 80,236 thousand compared to Euro 63,690 thousand reported in the corresponding period in the 2021/2022 financial year.
In terms of profitability, the Piquadro Group reported EBITDA of Euro 10.2 million in the half-year ended 30 September 2022, showing an improvement of Euro 1.7 million compared to Euro 8.5 million recorded in the half-year ended 30 September 2021.
Adjusted EBITDA posted a profit of Euro 3.9 million, up by about Euro 2.2 million compared to the same figure for the first 2021/2022 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 5.1 million during the half-year ended 30 September 2022 (against Euro 2.5 million at 30 September 2021); The Bridge brand’s adjusted EBITDA posted a profit of Euro 2.1 million during the half-year ended 30 September 2022 (a profit of Euro 1.3 million at 30 September 2021); Maison Lancel’s adjusted EBITDA posted a loss of Euro (3.2) million during the half-year ended 30 September 2022, against a negative value of Euro (2.0) million at 30 September 2021.

The Piquadro Group posted a positive EBIT of Euro 2.4 million during the half-year ended 30 September 2022.

Adjusted EBIT posted a profit of Euro 1.8 million, up by Euro 2.0 million compared to a loss of Euro 0.2 million recorded in the half-year ended 30 September 2021.

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 loss of Euro 0.07 million during the half-year ended 30 September 2022 compared to a loss of Euro 1.5 million recorded on 30 September 2021.

In addition to the analysis reported, Management staff believe that the factors that had a positive impact on the Group's profitability in the current financial year partially included an increase of about 26.0% (equal to Euro 16.5 million) in Group revenues, the work continued cost reduction, higher profit margins due to the policy aimed at increasing list prices implemented by each Brand.

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 2022**	**%(*)**	**Revenues from sales at 30 September 2021**	**%(*)**	**% change 2022/2021**
PIQUADRO	35,245	43.9%	28,230	44.3%	24.8%
THE BRIDGE	14,943	18.6%	11,127	17.5%	34.3%
LANCEL	30,048	37.5%	24,333	38.2%	23.5%
Total	**80,236**	**100.0%**	**63,690**	**100.0%**	**26.0%**

(*) Percentage impact compared to revenues from sales

With reference to the Piquadro brand, revenues amounted to Euro 35.3 million during the first half of the 2022/2023 financial year, ended 30 September 2022, up by 24.8% compared to the same period ended 30 September 2021. All sales channels showed an increase compared to the same period ended 30 September 2021; wholesale recorded an increase of 21.7%, while DOSs showed a growth of 33.8% and e-commerce showed an increase of 9.5%.

With reference to The Bridge brand, revenues amounted to Euro 14.9 million during the first half of the 2022/2023 financial year, ended 30 September 2022, up by 34.3% compared to the same period ended 30 September 2021. All sales channels showed an increase compared to the same period ended 30 September 2021; wholesale recorded an increase of 40.0%, while DOSs showed a growth of 31.4% and e-commerce showed an increase of 9.3%.

Maison Lancel's sales revenues amounted to Euro 30.0 million during the first half of the 2022/2023 financial year, ended 30 September 2022, up by 23.5% compared to the same period ended 30 September 2021. Wholesale channel recorded an increase of 11.7% and DOSs channel showed a growth of 32.7%.

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 2022**	**%(*)**	**Revenues from sales at 30 September 2021**	**%(*)**	**%change 2022/2021**
Italy	37,189	46.3%	30,124	47.3%	23.4%
Europe	40,919	51.0%	31,247	49.1%	30.9%
Rest of the World	2,128	2.7%	2,319	3.6%	(8.2%)
Total	80,236	100.0%	63,690	100.0%	26.0%

(*) 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 37.2 million, equal to 46.3% of consolidated sales (47.3% of consolidated sales at 30 September 2021), up by 23.4% compared to the same period in the 2021/2021 financial year.

In the European market, the Group recorded a turnover of Euro 40.9 million, equal to 51.0% of consolidated sales (49.1% of consolidated sales on 30 September 2021), up by 30.9% compared to the same period in the 2021/2022 financial year. This increase was due to the growth in three Brands, particularly in countries such as Spain and Germany.

In the non-European geographical area (named "Rest of the World"), the Piquadro Group recorded a turnover of Euro 2.1 million, equal to 2.7% of consolidated sales (3.6% of consolidated sales on 30 September 2021).

Investments

Gross investments in intangible assets, property, plant and equipment and financial assets in the half-years ended 30 September 2022 and 30 September 2021 were equal to Euro 2,501 thousand and to Euro 1,357 thousand, respectively, as reported below:

(in thousands of Euro)	**30 September 2022**	**30 September 2021**
Investments		
Intangible assets	555	213
Property, plant and equipment	1,655	1,144
Non-current financial assets	290	70
Total	**2,500**	**1,427**

Increases in intangible assets came to Euro 555 thousand in the half-year ended 30 September 2022 and related both to the project to standardise the software platform which will involve the Group and to the renewal of licences and trademarks.

Increases in property, plant and equipment came to Euro 1,655 thousand in the half-year ended 30 September 2022 and were attributable to furniture and furnishings purchased for the refurbishment of already existing DOSs, the modernization of Lancel Sogedi's headquarters at the new offices in Paris and the installation of the PV plant at Piquadro S.p.A.'s headquarters in Silla di Gaggio Montano.

Increases in non-current financial assets came to Euro 290 Euro thousand in the half-year ended 30 September 2022 and fully related to guarantee deposits for lease of points of sales.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Below is summarised the Piquadro Group's consolidated statement of financial position at 30 September 2022 (compared to the corresponding statement at 31 March 2022 and 30 September 2021):

(in thousands of Euro)	**30 September 2022**	**31 March 2022**	**30 September 2021**
Trade receivables	33,063	27,933	28,988
Inventories	40,220	39,047	39,371
(Trade payables)	(39,141)	(41,401)	(36,894)
Total Net Current trade Assets	*34,142*	*25,579*	*31,465*
Other current assets	6,995	5,999	6,961
Tax receivables	2,806	3,352	3,204
(Other current liabilities)	(11,590)	(10,244)	(9,937)
(Tax payables)	(2,982)	(2,339)	(1,959)
A) Working capital	***29,371***	***22,347***	***29,734***
Intangible assets	7,376	7,141	6,481
Property, plant and equipment	15,160	15,026	13,823
Right-of-use assets	46,127	48,007	46,027
Non-current financial assets	2	2	2
Receivables from others beyond 12 months	2,122	1,831	2,652
Deferred tax assets	3,650	4,003	6,061
B) Fixed assets	***74,437***	**76,010**	***75,046***
C) Non-current provisions and non-financial liabilities	***(6,759)***	**(6,347)**	***(6,681)***
Net Invested Capital (A+B+C)	**97,049**	**92,010**	**98,099**
FINANCED BY:			
D) Net Financial Position	***40,773***	***32,954***	***45,435***
E) Equity attributable to Minority interests	**0**	***0***	**0**
F) Equity attributable to the Group	***56,276***	***59,057***	***52,664***
Total borrowings and Shareholders' Equity (D+E+F)	**97,049**	**92,010**	**98,099**

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 2022**	**31 March 2022**	**30 September 2021**
(A) Cash	48,066	61,442	44,730
(B) Cash equivalents	0	0	0
(C) Other current financial assets	835	421	31
of (D) Liquidity (A) + (B) + (C)	**48,901**	**61,863**	**44,761**
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(18,616)	(16,798)	(16,773)
(F) Current portion of non-current financial debt	(14,043)	(11,839)	(7,647)
(G) Current borrowings (E) + (F)	**(32,659)**	**(28,637)**	**(24,420)**
(H) Current Net Financial Position (G) - (D)	**16,242**	**33,226**	**20,341**
(I) Non-current financial debt (excluding current portion and debt instruments)	(53,008)	(62,173)	(61,177)
(J) Debt instruments	0	0	0
(K) Trade payables and other non-current payables	(4,007)	(4,007)	(4,599)
(L) Non-current Net Financial Position (I) + (J) + (K)	**(57,015)**	**(66,180)**	**(65,776)**
(M) Total Net Financial Position (H) + (L)	**(40,773)**	**(32,954)**	**(45,435)**

The Piquadro Group's Net Financial Position posted a negative value of Euro 40.8 million in the half-year ended 30 September 2022.

The impact arising from the adoption of the accounting standard IFRS 16 amounted to a negative value of Euro 51.1 million.

The Piquadro Group's adjusted Net Financial Position[1] posted a positive value of Euro 10.4 million, against a positive value of Euro 6.3 million in the adjusted Net Financial Position posted on 30 September 2021. The change in the adjusted Net Financial Position was also due to investments in intangible assets, property, plant and equipment and non-current financial assets for about Euro 4.5 million, the purchase of treasury shares for about Euro 0.9 million, the payment of dividends for Euro 4 million and free cash inflows of about Euro 12.6 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 of 30 September 2022:

(In thousands of Euro)	**Profit (loss) at 30 September 2022**	**Equity at 30 September 2022**	**Profit / (loss) at 31 March 2022**	**Equity at 31 March 2022**
Equity and Profit (Loss) for the period as reported in the financial statements of Piquadro S.p.A.	**3,083**	**41,252**	**4,482**	**42,171**
Derecognition of the carrying amount of consolidated equity investments	(3,104)	(24,733)	231	(22,920)
Non-recurring income arising from the acquisition of the Lancel Group, net of transaction costs	0	40,752	0	40,752
Derecognition of the effects of transactions carried out between consolidated companies:				
- Profits stated among closing inventories	(269)	(2,034)	(336)	(1,765)
- Other minor effects	220	1,039	67	819
Group's equity and Profit (Loss) for the period	**(70)**	**56,276**	**4,444**	**59,057**
Minority interests' Profits (Losses) and Equity	0	0	0	0
Consolidated Equity and Profit (Loss)	**(70)**	**56,276**	**4,444**	**59,057**

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 and transparent management of its supply chain and is planning, for this purpose, to adopt a code of conduct for suppliers and implement a sharing process 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 eco-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.

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 2022 the Group had 1,029 units, compared to 1,047 units at 30 September 2021.
Below is reported the breakdown of staff by Country:

Country	30 September 2022	30 September 2021
Italy	399	401
China	241	260
Hong Kong	1	1
Germany	1	1
Spain	14	24
Taiwan	12	12
France	315	303
San Marino	4	3
United Kingdom	1	2
Russia	41	40
Total	**1,029**	**1,047**

With reference to the Group’s organisational structure, at 30 September 2022, 14.0% of staff operated in the production area, 53.6% in the retail area, 21.2% in the support functions (Administration, IT Systems, Purchasing, Quality, Human Resources, etc.), 6.8% in the Research and Development area and 4.4% 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 16 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 19 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 20 people.

The R&D work for the Lancel brand is carried out by the French subsidiary Lancel Sogedi S.A. through a team of 7 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, about said subsidiary:

a) it makes available to the 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;
b) it gathers from the subsidiaries the by-laws and the composition and powers of the corporate bodies;
c) 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 because 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 occurred after the reporting date.

Outlook

The particularly positive results recorded in the first half of 2022/2023, both in terms of revenues from sales and operating profitability, attest to the Group's strength and reassure the company Management about the choices made so far and its ability to gain success in the international competitive scenario. The conflict between Russia and Ukraine has created instability, both on the political scene and in economy, the impacts of which range from increases in the costs of raw materials, such as gas and oil, and of foodstuffs and other types of products to the rise in interest rates on a global scale with expected consequent effects on the growth trends in the European and world economies. The evolution of the spread of COVID-19 also presents some margins of uncertainty in some countries with direct effects on mobility, particularly international, of customers. As a result, the Group's Management continues to monitor the evolution of the spread of COVID-19, especially in countries where restrictions are still in place on the one hand, and, on the other hand, to monitor the situation both from an economic and a financial point of view about the Russian-Ukrainian conflict.
Even though the scenario is very uncertain and complex, the Group's Management believes that is able, in this context, to continue work on its path to growth and to maintain higher levels of profitability than in past years for the entire organisation.

FOR THE BOARD OF DIRECTORS

Silla di Gaggio Montano (BO), 24 November 2022

THE CHAIRMAN
Marco Palmieri

HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ON 30 SEPTEMBER 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**30 September 2022**	**31 March 2022**
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	(1)	2,718	2,483
Goodwill	(2)	4,658	4,658
Right-of-use assets	(3)	46,127	48,007
Property, plant and equipment	(4)	15,160	15,026
Non-current financial assets	(5)	2	2
Receivables from others	(6)	2,122	1,831
Deferred tax assets	(7)	3,650	4,003
TOTAL NON-CURRENT ASSETS		**74,437**	**76,010**
CURRENT ASSETS			
Inventories	(8)	40,220	39,047
Trade receivables	(9)	33,063	27,933
Other current assets	(10)	6,995	5,999
Derivative assets	(11)	835	421
Tax receivables	(12)	2,806	3,352
Cash and cash equivalents	(13)	48,066	61,443
TOTAL CURRENT ASSETS		**131,985**	**138,195**
TOTAL ASSETS		**206,422**	**214,205**

(in thousands of Euro)	**Notes**	**30 September 2022**	**31 March 2022**
LIABILITIES			
EQUITY			
Share Capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		2,038	749
Retained earnings		52,308	51,864
Group profit/(loss) for the period		(70)	4,444
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP		**56,276**	**59,057**
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)	**56,276**	**59,057**
NON-CURRENT LIABILITIES			
Borrowings	(15)	20,488	25,840
Payables to other lenders for lease agreements	(16)	32,520	36,333
Other non-current liabilities	(17)	4,007	3,877
Provision for employee benefits	(18)	3,851	3,879
Provisions for risks and charges	(19)	2,908	2,468
TOTAL NON-CURRENT LIABILITIES		**63,725**	**72,397**
CURRENT LIABILITIES			
Borrowings	(20)	14,043	11,839
Payables to other lenders for lease agreements	(21)	18,616	16,798
Derivative liabilities	(22)	0	0
Trade payables	(23)	39,141	41,401
Other current liabilities	(24)	11,590	10,374
Tax payables	(25)	2,982	2,339
TOTAL CURRENT LIABILITIES		**86,372**	**82,751**
TOTAL LIABILITIES		**150,146**	**155,148**
TOTAL EQUITY AND LIABILITIES		**206,422**	**214,205**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	**Notes**	**30 September 2022**	**30 September 2021**
REVENUES			
Revenues from sales	(26)	80,236	63,690
Other income	(27)	666	1,379
TOTAL REVENUES (A)		**80,902**	**65,069**
OPERATING COSTS			
Change in inventories	(28)	(709)	(3,095)
Costs for purchases	(29)	18,223	13,321
Costs for services and leases and rentals	(30)	31,377	28,174
Personnel costs	(31)	21,007	17,403
Amortisation, depreciation, and write-downs	(32)	8,157	8,455
Other operating costs	(33)	454	403
TOTAL OPERATING COSTS (B)		**78,509**	**64,661**
OPERATING PROFIT (A-B)		**2,393**	**408**
FINANCIAL INCOME AND COSTS			
Financial income	(34)	2,468	445
Financial costs	(35)	(2,810)	(1,328)
TOTAL FINANCIAL INCOME AND COSTS		**(342)**	**(883)**
PROFIT (LOSS) BEFORE TAX		**2,051**	**(475)**
Income tax	(36)	(2,121)	(990)
PROFIT (LOSS) FOR THE PERIOD		**(70)**	**(1,465)**
attributable to:			
EQUITY HOLDERS OF THE COMPANY		(70)	(1,465)
MINORITY INTERESTS		0	0
(Basic and diluted) Earnings /(loss) per share in Euro	(37)	(0.0014)	(0.0300)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of Euro)	**30 September 2022**	**30 September 2021**
Profit/ (Loss) for the year (A)	**(70)**	**(1,465)**
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	1,207	261
Profit (loss) on cash flow hedge instruments	310	15
Components that cannot be reclassified to profit or loss (net of tax effect)		
Actuarial gains / (losses) on defined-benefit plans	51	30
Total Profits/(Losses) recognised in equity (B)	**1,568**	**307**
Total comprehensive Income /(Loss) for the year (A) + (B)	**1,498**	**(1,158)**
Attributable to		
- the Group	1,498	(1,158)
- 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	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 2021	**1,000**	**1,000**	**1,806**	**(52)**	**(219)**	**(967)**	**556**	**1,124**	**57,979**	**(6,115)**	**54,988**	**(323)**	**323**	**54,988**
Profit/ (Loss) for the period										(6,115)	**(6,115)**		323	**(5,793)**
Other comprehensive result at 31 March 2022														
- Exchange differences from translation of financial statements in foreign currency			1,071					**1,071**			**1,071**			**1,071**
- Reserve for actuarial gains (losses) on defined-benefit plans					3			**3**			**3**			**3**
- Other changes (consolidation area)								**0**			**0**			**0**
- Fair value of financial instruments				366				**366**			**366**			**366**
Comprehensive Income/(Loss) for the period	0	0	1,071	366	3		0	**1,140**	0	(6,115)	**(4,675)**			**(4,675)**
- Negative reserve for purchase of treasury shares in portfolio						(1,815)		**(1,815)**			**(1,815)**			**(1,815)**
- Distribution of dividends to shareholders										0	**0**			**0**
- Allocation of the result for the period at 31 March 2021 to reserves									(6,115)	6,115	**0**	323	(323)	**0**
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														
Other comprehensive result at 30 September 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**
Comprehensive Income/(Loss) for the period	**0**	**0**	**1,207**	**310**	**51**		**0**	**1,568**	**0**	**(70)**	**1,498**			**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 year at 31 March 2022 to reserves									444	(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**

CONSOLIDATED STATEMENT OF CASH FLOWS

(*in thousands of Euro*)	**30 September 2022**	**30 September 2021**
Profit before tax	2,051	(475)
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets and rights of use	7,928	1,791
Write-downs/(revaluations) of property, plant and equipment/intangible assets and right-of- use assets	(158)	40
Other provisions	1,434	432
Accrual to provision for bad debts	387	384
Net financial costs/(income), including exchange rate differences	362	883
Cash flows from operating activities before changes in working capital	**12,004**	**9,290**
Change in trade receivables (gross of the provision)	(5,278)	(6,206)
Change in inventories	(748)	(3,398)
Change in other current assets	(1,287)	(1,131)
Change in trade payables	(2,622)	3,190
Change in provisions for risks and charges	(841)	(231)
Change in other current liabilities	1,177	1,572
Change in tax receivables/payables	(683)	(33)
Cash flows from operating activities after changes in working capital	**1,722**	**3,053**
Payment of taxes	0	0
Interest paid	0	(177)
Cash flow generated from operating activities (A)	**1,722**	**2,876**
Investments in intangible assets	(559)	(218)
Investments in property, plant and equipment	(1,781)	(1,954)
Changes generated from investing activities (B)	**(2,340)**	**(2,172)**
Financing activities		
Change in short- and medium/long-term borrowings	(3,148)	(6,366)
- New loans	5,000	480
- Repayments and other net changes in Borrowings	(1,852)	(6,846)
Change in financial instruments	0	0
Changes in treasury shares in portfolio	(279)	(1,166)
Repayments for lease liabilities	(5,914)	(5,857)
Dividends paid	(4,000)	0
Cash flow generated from/(used in) financing activities (C)	**(13,341)**	**(13,389)**
Effect of foreign exchange differences from translation on cash and cash equivalents (D)	582	261
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	**(13,377)**	**(12,424)**
Cash and cash equivalents at the beginning of the period	**61,443**	**57,154**
Cash and cash equivalents at the end of the period	**48,066**	**44,730**

NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ON 30 SEPTEMBER 2022

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 24 November 2022.

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 2022, 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., based on minimum disclosures substantially less detailed than required by IFRS, 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 2022 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 results may prove different from those obtained because of these estimates.

Furthermore, it should be noted that certain valuation processes, 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 on 31 March 2022 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 on 31 March 2022.

Economic data, changes in equity and cash flows for the half-year ended 30 September 2022 are compared to the half-year ended 30 September 2021. Financial data on 30 September 2022 are compared to the corresponding values at 31 March 2022 (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 2022, 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 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, could 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 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 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 2022 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 on 30 September 2022, 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 on 30 September 2022

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	41,251	Parent Company
Piquadro España SLU	Barcelona	Spain	EUR	898	877	100%
Piquadro Deutschland GmbH	Munich	Germany	EUR	25	178	100%
Uni Best Leather Goods Zhongshan Co. Ltd.	Guangdong	People's Republic of China	CNY	22,090	(2,961)	100%
Piquadro Hong Kong Co. Ltd.	Hong Kong	Hong Kong	HKD	2,000	657	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	TWD	25,000	30,378	100%
Piquadro UK Limited	London	United Kingdom	GBP	1,000	1,000	100%
OOO Piquadro Russia	Moscow	Russia	RUB	10	211,892	100%
Piquadro Retail San Marino	San Marino	San Marino	EUR	26	28	100%

The Bridge S.p.A.	Scandicci (FI)	Italy	EUR	50	7,610	100%
Lancel International SA	Lugano	Switzerland	CHF	35,090	23,306	100%
Lancel Sogedi	Paris	France	EUR	20,000	7,520	100%
Lancel Italia	Gaggio Montano (BO)	Italy	EUR	100	84	100%
Lancel Iberia	Barcelona	Spain	EUR	3	84	100%
Lancel Zhongshan	Guangdong	People's Republic of China	CNY	7,000	8,709	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.

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 2022 and 30 September 2021 (foreign currency corresponding to Euro 1). Furthermore, the financial statements also report the closing exchange rates on 31 March 2022 for comparison purposes.

Foreign currency	**Average**			**Closing**		
	30/09/22	**31/03/22**	**30/09/21**	**30/09/22**	**31/03/22**	**30/09/21**
Hong Kong Dollar (HKD)	8.13	9.05	9.26	7.65	8.70	9.01
Renminbi (CNY)	6.99	7.46	7.70	6.94	7.04	7.48
Taiwan Dollar (TWD)	30.97	32.45	33.28	30.96	31.75	32.22
Swiss Franc (CHF)	1.00	1.07	1.09	0.96	1.03	1.08
Great Britain Pound (GBP)	0.85	0.85	0.85	0.88	0.84	0.86
US Dollar (USD)	1.03	1.16	1.19	0.97	1.11	1.15
Russian Rouble (RUB)	66.49	89.44	88.04	58.97	90.26	84.33

Main events that occurred during the financial year ended 30 September 2022 and related significant accounting effects

Accounting standards, amendments and IFRS interpretations applied from 1 April 2022

The following accounting standards, amendments and IFRS interpretations were applied by the Group for the first time as from 1 April 2022. On 14 May 2020, the IASB published the following amendments:

- *Amendments to IFRS 3 - Business Combinations*: the amendments are aimed at updating the reference to the Conceptual Framework in the revised version of IFRS 3, without these entailing amendments to the provisions of IFRS 3.
- *Amendments to IAS 16 - Property, Plant and Equipment*: the amendments are aimed at not allowing the amount received from the sale of goods produced during the testing phase of the asset to be deducted from the cost of tangible assets. These revenues from sales and related costs will therefore be recognised through profit or loss.
- *Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets*: the amendment clarifies that when estimating whether a contract is onerous, all costs must be considered which are directly attributable to the contract itself. Consequently, the evaluation of whether a contract is onerous must include any incremental costs (such as, for example, the cost of the direct material used in the manufacturing process), as well as all costs that the entity cannot avoid because it has entered into the contract (such as, for example, the share of depreciation of the machinery used to fulfil the contract).
- *Annual Improvements - 2018-2020 cycle*: the amendments have been made to IFRS 1 - *First-time Adoption of International Financial Reporting Standards*, IFRS 9 - *Financial Instruments*, IAS 41 - *Agriculture* and to the Illustrative Examples of IFRS 16 - *Leases*.

The adoption of these amendments did not have any effect on the Group's consolidated financial statements.

Accounting standards, amendments and IFRS interpretations endorsed by the European Union, but not yet mandatorily applicable and not early adopted by the Group at 30 September 2022

On 18 May 2017, the IASB published IFRS 17 – *Insurance Contracts*, which intended to replace IFRS 4 – *Insurance Contracts*.
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 to remove inconsistencies and weaknesses from the existing accounting policies, providing a single principle-based framework to take account of 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 based on 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; and,
- 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).

The standard will be applicable from the financial period that will commence on 1 April 2023 with early adoption permitted for entities that apply IFRS 9 – *Financial Instruments* and IFRS 15 – *Revenue from Contracts with Customers* only. The Directors do not expect any significant effect on the Group's consolidated financial statements from the adoption of this standard.

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 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 will be applicable from the financial period that will commence on 1 April 2023, with early adoption permitted. At present the Directors are assessing any possible effect of the first-time adoption of these amendments 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***". The document is aimed at clarifying how to classify short- or long-term payables and other liabilities. The amendments will be applicable from the financial period that will commence on 1 April 2023, 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 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 will be applicable from the financial period that will commence on 1 April 2023, 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 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 is aimed at avoiding temporary accounting mismatches between financial assets and liabilities of insurance contracts, thus improving the usefulness of comparative information for users of financial statements. The amendments will apply from the financial period that will commence on 1 January 2023, together with the application of IFRS 17. The Directors do not expect any significant effect on the Group's consolidated financial statements from the adoption of this amendment.

COMMENTS ON THE ITEMS IN STATEMENTS OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

Note 1 – Intangible assets

As at 30 September 2022 the value of intangible assets was equal to Euro 2,718 thousand (Euro 2,483 thousand at 31 March 2022). Below is reported the breakdown of this item:

(in thousands of Euro)	**30 September 2022**	**31 March 2022**	**Change**
Industrial patent rights	45	48	(3)
Software, licences, trademarks and other rights	1,519	1,679	(161)
Fixed assets under development	1,154	755	399
Total	**2,718**	**2,483**	**235**

During the half-year ended 30 September 2022 investments in intangible assets came to Euro 681 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 on 30 September 2022. 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 2021/2022 consolidated financial statements, *(ii)* the existing level of cover as a result of the aforementioned 2021/2022 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 2022**	**31 March 2022**	**Change**
Land and Buildings	45,483	47,241	(1,758)
Key Money	532	597	(65)
Equipment	0	7	(7)
Other assets	111	161	(50)
Total	**46,127**	**48,007**	**(1,880)**

The "Right-of-use" item amounted to Euro 46,127 thousand on 30 September 2022 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 of 30 September 2022 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 370 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. 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 2022 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 2022, the value of property, plant and equipment was equal to Euro 15,160 thousand (Euro 15,026 thousand at 31 March 2022). Below is reported the breakdown of this item:

(in thousands of Euro)	**30 September 2022**	**31 March 2022**	**Change**
Land	878	878	0
Buildings	3,501	3,443	58
Plant and machinery	1,188	1,288	(100)
Industrial and commercial equipment	8,880	9,193	(313)
Other assets	27	33	(6)
Fixed assets under construction and advances	686	191	495
Total	**15,160**	**15,026**	**134**

Increases in property, plant and equipment came to Euro 1,856 thousand in the half-year ended 30 September 2022 and mainly related to the investments made by Maison Lancel following the recent opening of new offices in Paris, the refitting of points of sale and the refurbishment of Piquadro S.p.A.'s headquarters, located in Silla di Gaggio Montano, for the installation of a PV plant that is still in progress.
Furthermore, write-downs of Euro 40 thousand of commercial equipment were recorded during the period, which related to the closure of Maison Lancel-branded store located in Spain.

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 2,122 thousand at 30 September 2022 (Euro 1,831 thousand at 31 March 2022), 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 2022, the amount of deferred tax assets was equal to Euro 3,650 thousand (Euro 4,003 thousand at 31 March 2022). The amount was the net balance between deferred tax assets (Euro 3,910 thousand) and deferred tax liabilities (Euro 260 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 2022**	**Provision for write-down**	**Net value at 30 September 2022**	**Net value at 31 March 2022**

Raw Materials	7,938	(2,150)	5,809	6,056
Semi-finished products	469	0	469	747
Finished products	41,654	(7,691)	33,942	32,244
Inventories	**50,061**	**(9,841)**	**40,220**	**39,047**

As of 30 September 2022, inventories showed an increase of about Euro 1.2 million compared to the corresponding values at 31 March 2022 due to higher sales, as a result of the ongoing reopening of sales outlets and a recovery in consumption, compared to the recent past, strongly impacted by the pandemic, which had led to a considerable reduction in revenues from sales.

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 2022**	**Use**	**Allocation**	**Provision at 30 September 2022**
Provision for write-down of raw materials	2,102	0	48	2,150
Provision for write-down of finished products	8,475	(1,054)	270	7,691
Total provision for write-down of inventories	**10,577**	**(1,054)**	**318**	**9,841**

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 of 30 September 2022, trade receivables were equal to Euro 32,862 thousand against Euro 27,933 thousand at 31 March 2022. 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 2022**	**Provision at 31 March 2022**
Balance at the beginning of the year	3,812	3,621
Accrual to provision	411	818
Uses	(5)	(627)
Total provision for bad debts	**4,218**	**3,812**

Note 10 – Other current assets

Below is reported the breakdown of other current assets:

(in thousands of Euro)	**30 September 2022**	**31 March 2022**
Other assets	3,733	1,846
Accrued income and prepaid expenses	3,262	4,154
Other current assets	**6,995**	**5,999**

Other assets mainly related to advances from suppliers for Euro 2,060 thousand, while the decrease of Euro 892 thousand in accrued income and prepaid expenses was mainly attributable to lower costs for advertising and marketing.

Note 11 - Derivative assets

As of 30 September 2022, there were derivative assets for Euro 835 thousand compared to Euro 421 thousand recorded at 31 March 2022.
The value of derivative assets was entirely made up of the valuation of Interest Rate Swap (IRS) derivative agreements linked to loans taken out by the Parent Company and The Bridge S.p.A..
These derivatives have been entered into for the purposes of hedging fluctuations in interest rates on loans taken out at variable rate and are accounted for as cash flow hedge under hedge accounting.

Note 12 – Tax receivables

As of 30 September 2022, tax receivables were equal to Euro 2,806 thousand (Euro 3,352 thousand at 31 March 2022) and were mainly made up of VAT credits of the Italian companies, and the R&D tax credit for Euro 143 thousand.

(in thousands of Euro)	**30 September 2022**	**31 March 2022**
Income tax receivables	141	649
VAT Credit	2,283	2,518
Other tax receivables	382	185
Tax receivables	**2,806**	**3,352**

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 2022**	**31 March 2022**
Available current bank accounts	47,822	61,186
Cash, cash on hand and cheques	244	256
Cash and cash equivalents	**48,066**	**61,443**

LIABILITIES

NON-CURRENT LIABILITIES

Note 14 - EQUITY

Share capital

As at 30 September 2022, 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 on 31 March 2022, was equal to Euro 1,000 thousand.

Reserve for treasury shares

This reserve showed a negative value of Euro 3,061 thousand and was set aside against the 1,677,733 treasury shares in portfolio on 30 September 2022, while it showed a negative value of Euro 2,782 thousand at 31 March 2022.

Translation reserve

As of 30 September 2022 the translation reserve was positive for Euro 4,084 thousand (it reported a positive balance of Euro 2,877 thousand at 31 March 2022). 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 increase of Euro 1,207 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 624 thousand and included changes in fair value of the effective component of cash flow hedge derivatives, net of deferred taxation (on 31 March 2022 it showed a positive balance of Euro 314 thousand). The increase of Euro 310 thousand in reserve, due to an increase in the fair value of derivatives entered 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 165 thousand (on 31 March 2022 it showed a negative balance of Euro 216 thousand). The increase of Euro 51 thousand in 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 loss reported by the Group for the period, equal to Euro 70 thousand, in the half-year ended 30 September 2022.

Note 15 – Non-current borrowings

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

(in thousands of Euro)	**30 September 2022**	**31 March 2022**
Borrowings from 1 to 5 years	20,439	25,840
Borrowings beyond 5 years	0	0
Medium/long-term borrowings	**20,439**	**25,840**

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
BPER loan	0.70%	27-Nov-18	5,000,000	Euro	477	(2)	681	(1)	1,154
Unicredit loan	0.50%	18-Oct-19	5,000,000	Euro	997	(2)	1,765	(4)	2,757
MPS loan	0.40%	30-Jan-17	3,000,000	Euro	300				300
Intesa Sanpaolo loan	0.10%	24-Jan-20	5,000,000	Euro	1,000		2,250		3,250
Intesa Sanpaolo loan	0.30%	27-Jul-20	6,250,000	Euro	1,339	(3)	4,019	(2)	5,353
Intesa Sanpaolo loan	0.20%	27-Jan-22	6,000,000	Euro	1,500	(2)	3,750	(3)	5,245
MPS loan	0.70%	16-Nov-18	5,000,000	Euro	1,000	(2)	1,000	(1)	1,997
UBI loan	0.43% all in	22-May-17	3,000,000	Euro	152		-		152
Unicredit loan	0.60%	11-Sep-20	5,000,000	Euro	2,499		1,502		4,001
Simest financing	0.10%	20-Jan-21	700,000	Euro	0		700		700
BNL financing	0.6% + 3m EURIBOR	22-Jun-22	5,000,000	Euro	3,333	(9)	833	(1)	4,157
Intesa Sanpaolo loan	0.9% + 3m EURIBOR	27-Jan-22	1,000,000	Euro	1,516	(1)	3,469		4,984
Simest financing	0.55%	29-Apr-21	480,000	Euro	0	-	480	-	480
					14,113	**(21)**	**20,450**	**(11)**	**34,531**

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 2022**	**31 March 2022**
Non-current portion:		
Lease liabilities	32,520	36,333
Current portion:		
Lease liabilities	18,616	16,798
Payables to other lenders for leases	**51,136**	**53,131**

The adoption of IFRS 16 generated the recognition of a financial liability, equal to the present value of future payments still outstanding. As of 30 September 2022 the item under consideration was classified among non-current Lease liabilities for Euro 32,520 thousand and among current liabilities for Euro 18,616 thousand. The reduction compared to 31 March 2022 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 2022**	**31 March 2022**
Other payables	4,007	3,877
Other non-current liabilities	**4,007**	**3,877**

"Other payables", equal to Euro 4,007 thousand on 30 September 2022 included the fair value of the Annual Earn-Out to be paid to Richemont Holdings SA for Euro 4,007 thousand 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 on 31 March 2022 and remained unchanged as at 30 September 2022, 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 on 31 March 2022.
The value of the provision on 30 September 2022 amounted to Euro 3,851 thousand (Euro 3,879 thousand at 31 March 2022).

Note 19 – Provisions for risks and charges

Below are the changes in provisions for risks and charges at 30 September 2022:

(in thousands of Euro)	**Provision at 31 March 2022**	**Use**	**Allocation**	**Provision at 30 September 2022**
Provision for supplementary clientele indemnity	1,403	0	55	1,458
Other provisions for risks	1,066	(60)	444	1,450
Total	**2,468**			**2,908**

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 1,458 thousand on 30 September 2022, showing an increase of Euro 55 thousand compared to 31 March 2022 (Euro 1,403 thousand).

"Other Provisions for risks" amounted to Euro 1,450 thousand on 30 September 2022 and are made up as follows:

- *Provision for returns,* Euro 624 thousand (Euro 525 thousand on 31 March 2022)
- *Provision for taxes*, Euro 138 thousand (Euro 130 thousand on 31 March 2022);
- *Provision for product warranty and repair*, Euro 10 thousand (unchanged compared to 31 March 2022);
- *Provision for Legal Disputes/Employees*, Euro 678 thousand (Euro 401 thousand on 31 March 2022): the provision mainly related to the amount set aside for legal risks and disputes with employees.

CURRENT LIABILITIES

Note 20 – Current borrowings

As at 30 September 2022 current borrowings were equal to Euro 14,043 thousand against Euro 11,839 thousand as at 31 March 2022. 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 2022 this item amounted to Euro 18,616 thousand (Euro 16,798 thousand at 31 March 2022). 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 2022**	**31 March 2022**	**30 September 2021**
(A) Cash	48,066	61,442	44,730
(B) Cash equivalents	0	0	0
(C) Other current financial assets	835	421	31
of (D) Liquidity (A) + (B) + (C)	**48,901**	**61,863**	**44,761**
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(18,616)	(16,798)	(16,773)
(F) Current portion of non-current financial debt	(14,092)	(11,839)	(7,647)
(G) Current borrowings (E) + (F)	**(32,708)**	**(28,637)**	**(24,420)**
(H) Current Net Financial Position (G) - (D)	**16,193**	**33,226**	**20,341**
(I) Non-current financial debt (excluding current portion and debt instruments)	(52,959)	(62,173)	(61,177)
(J) Debt instruments	0	0	0
(K) Trade payables and other non-current payables	(4,007)	(4,007)	(4,599)
(L) Non-current Net Financial Position (I) + (J) + (K)	**(56,966)**	**(66,180)**	**(65,776)**
(M) Total Net Financial Position (H) + (L)	**(40,773)**	**(32,954)**	**(45,435)**

The Piquadro Group's Net Financial Position posted a negative value of Euro 40.8 million at 30 September 2022. The impact of the adoption of the accounting standard IFRS 16 was negative for about Euro 51.1 million.
The Piquadro Group's adjusted Net Financial Position, which was positive and equal to about Euro 10.4 million, showed an improvement of Euro 4.1 million against a positive adjusted Net Financial Position of Euro 6.3 million recorded on 30 September 2021.
The change in the adjusted Net Financial Position was also due to investments in intangible assets, property, plant and equipment and non-current financial assets for about Euro 4.5 million, the payment of dividends for Euro 4.0 million, the purchase of treasury shares for about Euro 0.9 million and the generation of free cash inflows of about Euro 12.6 million.

Note 22 – Derivative liabilities

There were no derivative liabilities on 30 September 2022, as occurred at 31 March 2022.

Note 23 - Trade payables

Below is the breakdown of current trade payables:

(in thousands of Euro)	**30 September 2022**	**31 March 2022**
Payables to suppliers	**39,141**	**41,401**

As at 30 September 2022 payables to suppliers amounted to Euro 39,141 thousand, substantially in line with the amount of Euro 41,401 thousand posted at 31 March 2022.

Note 24 – Other current liabilities

(in thousands of Euro)	**30 September 2022**	**31 March 2022**
Payables to social security institutions	2,449	3,112
Payables to pension funds	372	365
Other payables	2,620	1,361
Payables to employees	5,404	5,154
Advances from customers	302	114
Accrued expenses and deferred income	242	0
Other current liabilities	**11,389**	**10,374**

"Other current liabilities", totalling Euro 11,389 thousand, showed an increase of Euro 1,015 thousand compared to 31 March 2022.
The item included: payables to social security institutions, which mainly related to the Parent Company and Lancel Sogedi's payables due to INPS (Italian Social Security Institute) and payables to employees on 30 September 2022, equal to Euro 5,404 thousand (Euro 5,154 thousand at 31 March 2022), 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 IRPEF (Personal Income) tax payables for Euro 417 thousand, IRAP (Regional Production Activity) and IRES (Corporate Income) tax payables for Euro 2,169 thousand and payables to the Tax Office, mainly for foreign companies, for consumption tax for Euro 396 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 2022**	**%(*)**	**Revenues from sales at 30 September 2021**	**%(*)**	**% Change 2022/2021**
PIQUADRO	35,245	43.9%	28,230	44.3%	24.8%
THE BRIDGE	14,943	18.6%	11,127	17.5%	34.3%
LANCEL	30,048	37.5%	24,333	38.2%	23.5%
Total	**80,236**	**100.0%**	**63,690**	**100.0%**	**26.0%**

Revenues recorded in the first six months of the 2022/2023 financial year, ended 30 September 2022, related to the Piquadro brand, amounted to Euro 35.3 million, up by 24.8% compared to the same period ended 30 September 2021. All sales channels showed an increase compared to the same period ended 30 September 2021; wholesale recorded an increase of 21.7%, while DOSs showed a growth of 33.8% and e-commerce showed an increase of 9.5%.

Revenues recorded in the first six months of the 2022/2023 financial year, ended 30 September 2022, related to the The Bridge brand, amounted to Euro 14.9 million, up by 34.3% compared to the same period ended 30 September 2021. All sales channels showed an increase compared to the same period ended 30 September 2021; wholesale recorded an increase of 40.0%, while DOSs showed growth of 31.4% and e-commerce showed an increase of 9.3%.

Revenues from sales achieved by Maison Lancel in the first six months of the 2022/2023 financial year, ended 30 September 2022, amounted to Euro 30.0 million, up by 23.5% compared to the same period ended 30 September 2021. Wholesale recorded an increase of 11.7% and DOSs showed growth of 32.7%.

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 2022**	**%(*)**	**Revenues from sales at 30 September 2021**	**%(*)**	**% Change 2022/2021**
Italy	37,189	46.3%	30,124	47.3%	23.4%
Europe	40,919	51.0%	31,247	49.1%	30.9%
Rest of the World	2,128	2.7%	2,319	3.6%	(8.2%)
Total	**80,236**	**100.0%**	**63,690**	**100.0%**	**26.0%**

From a geographical point of view the Piquadro Group recorded a turnover of Euro 37.2 million in the Italian market, equal to 46.3% of consolidated sales (47.3% of consolidated sales at 30 September 2021), up by 23.4% compared to the same period in the 2021/2022 financial year.

In the European market, the Group recorded a turnover of Euro 40.9 million, equal to 51.0% of consolidated sales (49.1% of consolidated sales at 30 September 2021), up by 30.9% compared to the same period in the 2021/2022 financial year. This increase was due to the growth in the three Brands, in countries such as Spain, Russia and Germany.

In the non-European geographical area (named “Rest of the World”), the Piquadro Group recorded a turnover of Euro 2.1 million, equal to 2.7% of consolidated sales (3.6% of consolidated sales on 30 September 2021).

Note 27 – Other income

In the half-year ended 30 September 2022, other income amounted to Euro 666 thousand (Euro 1,379 thousand in the half-year ended 30 September 2021) and was broken down as follows:

(in thousands of Euro)	**30 September 2022**	**30 September 2021**
Charge-backs of transport and collection expenses	40	45
Insurance and legal refunds	3	819
Other sundry income	622	516
Other Income	**666**	**1,379**

In the half-year ended 30 September 2022, other income came to Euro 666 thousand (Euro 1,379 thousand in September 2021), of which an amount of Euro 197 thousand related to the Piquadro brand, Euro 20 thousand related to The Bridge brand and Euro 449 thousand related to the Lancel brand. The decrease arose from the recognition, during the previous year, concerning the insurance refund covering the damage caused by a fire at the central warehouse of Piquadro S.p.A.

Note 28 – Change in inventories

The change in inventories was positive in the half-year ended 30 September 2022 for Euro 709 thousand compared to the half-year ended 30 September 2021, when it was positive for an amount of Euro 3,095 thousand, with a net difference of Euro 2,386 thousand between the two periods.

Note 29 – Costs for purchases

In the half-year ended 30 September 2022, costs for purchases were equal to Euro 18,223 thousand (Euro 13,321 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 2022**	**30 September 2021**
Third-party manufacturing	8,540	8,769
Advertising and marketing	3,907	5,582
Transport services	4,217	3,677
Business services	2,328	2,136
Administrative services	1,814	1,684
General services	2,104	2,458
Services for production	8,540	1,663
Total Costs for services	**25,470**	**25,969**
Costs for leases and rentals	**5,907**	**2,205**
Costs for services and leases and rentals	**31,377**	**28,174**

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 financial year ended 30 September 2022.

Costs for leases and rentals, equal to Euro 5,907 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 2022**	**30 September 2021**
Wages and salaries	15,892	13,041
Social security contributions	3,879	3,281
Employee Severance Pay	1,236	1,081
Personnel costs	**21,007**	**17,403**

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

Category	**30 September 2022**	**30 September 2021**	**31 March 2022**
Executives	10	9	11
Office workers	776	761	759
Manual workers	243	277	257
Total	**1,029**	**1,047**	**1,027**

In the half-year ended 30 September 2022, personnel costs reported an increase of 20.7%, from Euro 17,403 thousand in the half-year ended 30 September 2021 to Euro 21,007 thousand in the half-year ended 30 September 2022. The Group did not implement redundancy and wage supplement schemes for any of the Group companies throughout the first half-year ended 30 September 2022.

To supplement the information provided, below is also reported the average number of employees for the half-years ended 30 September 2022 and 30 September 2021 and for the financial year ended 31 March 2022:

Average unit	**30 September 2022**	**31 March 2022**	**30 September 2021**
Executives	11	10	9
Office workers	770	761	747
Manual workers	252	268	272
Total for the Group	**1,033**	**1,039**	**1,028**

Note 32 – Amortisation, depreciation and write-downs

In the half-year ended 30 September 2022, amortisation, depreciation and write-downs were equal to Euro 8,157 thousand (Euro 8,455 thousand in the half-year ended 30 September 2021).
It should be noted that the amortisation or depreciation rate of Euro 5,878 thousand relates to the adoption of the accounting standard IFRS 16 (compared to Euro 6,159 thousand in the half-year ended 30 September 2021). The Piquadro Group's amortisation and depreciation amounted to Euro 2,050 thousand in the half-year ended 30 September 2022 (compared to Euro 1,871 thousand in the half-year ended 30 September 2021), net of the impact of the accounting standard IFRS 16.

The accrual to the provision for bad debts, equal to Euro 387 thousand on 30 September 2022 (Euro 385 thousand in the half-year ended 30 September 2021), was in line compared to the period ended in the corresponding six-month period of the previous financial year.

The write-downs were more than offset by a reversal of an impairment loss arising from the derecognition of a right of use, previously written down, with a total improving effect on the result for Euro 158 thousand in September 2022, compared to the negative effect of Euro 40 thousand on 30 September 2021. As of 30 September 2022, 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 370 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.

Note 33 – Other operating costs

Other operating costs in the financial year ended 30 September 2022 came to Euro 454 thousand (Euro 403 thousand on 30 September 2021), attributable to the current operations of the Group.

Note 34 - Financial income

In the half-year ended 30 September 2022, financial income was equal to Euro 2,468 thousand compared to Euro 445 thousand in the half-year ended 30 September 2021. The amount was mainly made up of foreign exchange gains recorded during the period in relation to currency transactions that were no longer hedged by derivative financial instruments.

Note 35 - Financial costs

Below is the breakdown of financial costs:

(in thousands of Euro)	**30 September 2022**	**30 September 2021**
Interest payable on current accounts	39	55
Financial costs on loans	149	122
Other charges	27	17
Net financial costs on defined-benefit plans	15	6
Charges on assets and rights of use	565	515
Foreign exchange losses (both realised and estimated)	2,014	613
Financial costs	**2,810**	**1,328**

There was an increase of Euro 2,014 thousand in foreign exchange losses compared to Euro 613 thousand at 30 September 2021 in relation to currency transactions that were no longer hedged by derivative financial instruments.

Note 36 – Income taxes

Below is reported the breakdown of income taxes:

(in thousands of Euro)	**30 September 2022**	**30 September 2021**
IRES tax and other income taxes	1,673	78
IRAP tax	318	261
Deferred tax liabilities	30	4
Deferred tax assets	100	647
Total Taxes	**2,121**	**990**

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 of 30 September 2022, basic loss per share amounted to Euro 0.0014 and was calculated on the basis of the consolidated Result for the period attributable to the Group, equal to Euro (70) thousand, divided by the weighted average number of ordinary shares outstanding in the half-year, equal to 48,322 thousand shares.

(in thousands of Euro)	**30 September 2022**	**30 September 2021**
Group profit (loss)	(70)	(1,465)
Average number of outstanding ordinary shares	48,322	48,805

Basic and diluted earnings (loss) per share (in Euro)	**(0.0014)**	**(0.0300)**

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 2022 and 30 September 2021. The segment economic performance is monitored by the Company's Management up to the "Segment result before amortisation and depreciation".

	30 September 2022					**30 September 2021**				
(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	**35,245**	**14,943**	**30,048**	**80,236**	**100%**	**28,230**	**11,127**	**24,333**	**63,690**	**100%**
Segment result before amortisation and depreciation	7,586	2,818	(241)	10,163	12.7%	4,695	2,052	1,732	8,479	13.3%
Amortisation and depreciation				(7,770)	9.7%				(8,070)	(12.7%)
Operating result				**2,393**	**3.0%**				**408**	**0.6%**
Financial income and costs				(342)	(0.4%)				(884)	(1.4%)
Profit (loss) before tax				**2,051**	**2.6%**				**(475)**	**(0.7%)**
Income taxes				(2,121)	(2.6%)				(990)	(1.6%)
Group net profit for the half-year				**(70)**	**(0.1%)**				**(1,465)**	**(2.3%)**

Note 40 – 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 based on 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 2022/2023 financial year, no transactions were affected 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:

(in thousands of Euro)	Receivables 30 September 2022	Receivables 31 March 2022	Payables 30 September 2022	Payables 31 March 2021
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 2021/2022 and 2022/2023 financial years:

(in thousands of Euro)	Costs 30 September 2022	Costs 30 September 2022	Revenues 30 September 2022	Revenues 30 September 2021
Economic relations with Piqubo S.p.A.	145	132	0	0
Economic relations with Piquadro Holding S.p.A.	184	151	0	0
Economic relations with Palmieri Family Foundation	0	0	0	0
Total costs and revenues to related entities	**329**	**283**	**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 2022/2023 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 2022, 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	Other fees	Total
Marco Palmieri	Chairman and CEO	01/04/22-30/09/22	2025	250	4	**76**	**330**
Pierpaolo Palmieri	Vice-Chairman–Executive Director	01/04/22-30/09/22	2025	125	2	1	**128**
Marcello Piccioli	Executive Director	01/04/22-25/07/22	ceased	42	1	3	**46**
Roberto Trotta	Executive Director	01/04/22-30/09/22	2025	1)	2	131	**133**
Francesco Giovagnoni	Executive Director	25/07/22-30/09/22	2025	1)	2	101	**103**
Paola Bonomo	Independent Director	01/04/22-25/07/22	ceased	6	0	1	**7**
Catia Cesari	Independent Director	01/04/22-25/07/22	2025	9	0	2	**11**
Valentina Beatrice Manfredi	Independent Director	25/07/22-30/09/22	2025	3	0	1	**4**
Barbara Falcomer	Independent Director	01/04/22-25/07/22	2025	9	0	2	**11**

1) They waived their fees for the period from 1 April 2022 to 30 September 2022.

Events after the reporting date

No significant events 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 over the half-year April 2022-September 2022.

The evaluation of the adequacy of administrative and accounting procedures for the preparation of the consolidated half-yearly condensed financial statements on 30 September 2022 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 on 30 September 2022:

- 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 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), 24 November 2022

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, 2022 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, 2022 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Montanari
Partner

Bologna, Italy
December 2, 2022

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.