



TABLE OF CONTENTS

INTERIM FINANCIAL REPORT OF THE PIQUADRO GROUP AT 30 SEPTEMBER 2021.....	1
CORPORATE BODIES HOLDING OFFICE AT 30 SEPTEMBER 2021	7
THE GROUP STRUCTURE.....	8
INTERIM REPORT ON OPERATIONS AT 30 SEPTEMBER 2021	9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	15
CONSOLIDATED NET FINANCIAL POSITION	16
RECONCILIATION OF THE PARENT COMPANY’S AND CONSOLIDATED EQUITY AND PROFIT (LOSS) FOR THE PERIOD.....	17
BELOW IS THE STATEMENT OF RECONCILIATION OF THE PARENT COMPANY’S EQUITY AND PROFIT (LOSS) FOR THE PERIOD RESULTING FROM ITS FINANCIAL STATEMENTS AND THE CORRESPONDING CONSOLIDATED VALUES AT 30 SEPTEMBER 2021:.....	17
OTHER INFORMATION.....	18
CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021	20
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	21
CONSOLIDATED INCOME STATEMENT.....	23
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	24
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY	28
CONSOLIDATED CASH FLOW STATEMENT	29
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021	30
GENERAL INFORMATION.....	31
BASIS OF PREPARATION OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS, THE GROUP STRUCTURE AND THE SCOPE OF CONSOLIDATION	32
COMMENTS ON THE ITEMS OF THE STATEMENT OF FINANCIAL POSITION	37

COMMENTS ON THE MAIN INCOME STATEMENT ITEMS	47
CERTIFICATION ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED AND SUPPLEMENTED.....	54

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 interim financial report at 30 September 2021 (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 Interim report on operations, prepared by the Directors, relates to the attached consolidated condensed interim 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 2021. 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 Interim report on operations must therefore be read together with the Financial Statements and the related Notes.

It should be noted that this interim Report on Operations provides, in addition to the indicators required by the financial statements’ schedules in accordance with the IFRS, some alternative performance indicators, 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 2021 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 2021

- **BOARD OF DIRECTORS**
(holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements at 31 March 2022)

Marco Palmieri	<i>Chairman and CEO</i>
Marcello Piccioli	<i>Managing director</i>
Roberto Trotta	<i>Managing director</i>
Pierpaolo Palmieri	<i>Managing director</i>
Paola Bonomo	<i>Independent non-executive director</i>
Catia Cesari	<i>Independent non-executive director</i>
Barbara Falcomer	<i>Independent non-executive director</i>

- **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 2022)

Barbara Falcomer	<i>Chairman</i>
Paola Bonomo	<i>Independent non-executive director</i>
Catia Cesari	<i>Independent non-executive director</i>

- **REMUNERATION COMMITTEE**
(holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements at 31 March 2022)

Catia Cesari	<i>Chairman</i>
Paola Bonomo	<i>Independent non-executive director</i>
Barbara Falcomer	<i>Independent non-executive director</i>

- **LEAD INDEPENDENT DIRECTOR**
Paola Bonomo

- **BOARD OF STATUTORY AUDITORS**
(holding office until the approval of the financial statements at 31 March 2022)

Standing auditors	
Patrizia Lucia Maria Riva	<i>Chairman</i>
Giuseppe Fredella	<i>Standing Auditor</i>
Maria Stefania Sala	<i>Standing Auditor</i>
Alternate auditors	
Giacomo Passaniti	
Roberto Scialdone	

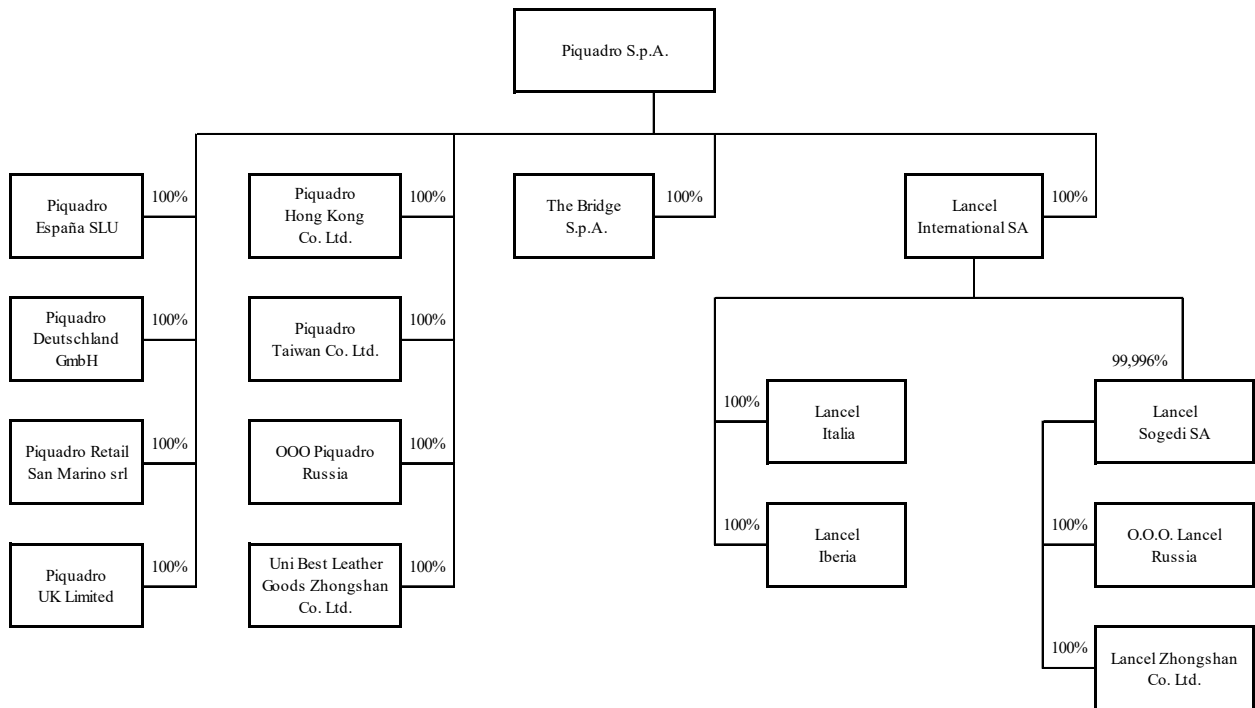
- **INDEPENDENT AUDITORS**
(holding office for nine years until the approval of the financial statements at 31 March 2025)
Deloitte & Touche S.p.A.

- **FINANCIAL REPORTING MANAGER**
Roberto Trotta

- **SUPERVISORY BOARD**
Mario Panzeri

THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group at 30 September 2021:



Significant events for the half-year ended 30 September 2021

On 27 July 2021 the Shareholders' Meeting of Piquadro S.p.A. approved the Financial Statements for the financial year ended 31 March 2021, as well as the Board of Directors' proposal to cover the net loss of Euro 1,789,191 for the period by using the reserve for retained earnings without distributing any dividend to shareholders.

The Shareholders' Meeting 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 year that will end on 31 March 2022, as well as the fees payable 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). The Shareholders' Meeting also gave 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: (a) 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 2022 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 limits that can be determined according to the following criteria:

- (i) in any case the minimum consideration for the purchase shall not be less, by 20%, than the reference price that the stock shall have recorded on the trading day prior to every individual transaction;
 - (ii) in any case, the maximum consideration for the purchase shall not be higher, by 10%, than the reference price that the stock shall have recorded on the trading day prior to every individual transaction.
- Should the purchase of treasury shares be made within the scope of any market practice referred to in CONSOB resolution no. 16839/2009, the purchase price set for any proposed trading shall not exceed the higher of the price set for the most recent independent transaction and the current purchase price of the highest independent proposed trading in the market in which proposed purchases are launched, without prejudice to any additional limit set out in the resolution itself.

The abovementioned transactions shall be carried out, on one or more occasions, by purchasing shares, pursuant to Article 144-bis, paragraph 1, 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 and 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;

(b) to authorise, pursuant to and for the purposes of Article 2357-*ter* of the Italian Civil Code, the disposition, 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.

On 17 August a fire broke out at the Parent Company's headquarters, which partially caused damage to a system of the warehouse, as well as to some products stored therein. However, operations were resumed promptly, whilst the procedure for the settlement of the insurance claim is still underway.

Summary economic-financial data and alternative performance indicators

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

- a) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation, or Gross Operating Margin) is an economic indicator that is not defined by the International Accounting Standards. EBITDA is a unit of measurement utilised by the Management to monitor and assess the Group's operational performance. The Management believes that EBITDA is an important parameter for the measurement of the Group's performance, as it is not affected by the volatility due to the effects of the various criteria for the determination of taxable income, by the amount and characteristics of the capital employed, as well as by the amortisation and depreciation policies. EBITDA is defined as the earnings for the period before depreciation and impairment of property, plant and equipment and amortisation of intangible assets, financial income and charges and the income taxes for the period.

- b) Adjusted EBITDA is defined as EBITDA, excluding the effects arising from the adoption of IFRS 16.
- c) EBIT – Earnings Before Interest and Taxes - is the Earnings 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) The ROI, i.e. the return on net invested capital, is given by the ratio of net Operating Margin to net invested capital and is expressed as a percentage. This indicator is used as a financial target in both internal (business plans) and external (analysts and investors) presentations and intends to measure the ability to produce wealth through operations and therefore to remunerate both net worth and borrowed capital.
- h) The ROE, i.e. the return on equity, is given by the ratio of net profit to equity and is expressed as a percentage. This indicator is used as a financial target in both internal (business plans) and external (analysts and investors) presentations and intends to measure the profitability obtained by investors on account of risks.
- i) The ROS, i.e. the average operating result by revenue unit. This ratio expresses the Company’s profitability in relation to the revenue flow’s ability to generate remuneration.
- j) Net Working Capital: this item includes “Trade receivables”, “Inventories”, current non-financial “Other Receivables”, net of “Trade payables” and current non-financial “Other Payables”.
- k) 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 Group’s main economic-financial indicators at 30 September 2021 and at 30 September 2020:

Economic and financial indicators <i>(in thousands of Euro)</i>	30/09/2021	30/09/2020
Revenues from sales	63,690	48,554
EBITDA	8,479	4,796
Adjusted EBITDA	1,725	(1,764)
EBIT	408	(3,122)
Adjusted EBIT	(190)	(3,410)
Profit / (Loss) before tax	(475)	(3,960)
Group Profit / (Loss) for the period	(1,465)	(4,142)
Amortisation and depreciation, provisions and write-downs	8,455	8,290
Cash generation (Group net profit, including amortisation and depreciation, write-downs)	6,990	4,149
Adjusted Net Financial Position	6,276	4,939
Net Financial Position	(45,466)	(46,376)
Equity	52,664	57,161

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

Financial indicators <i>(in thousands of Euro)</i>	30/09/2021	30/09/2020
Operating result	408	(3,122)
Amortisation, depreciation and write-downs	8,071	8,290
EBITDA	8,479	4,796
Adjusted EBITDA	1,725	(1,764)

Adjusted EBITDA, which is defined as EBITDA, excluding the effects arising from the adoption of IFRS 16, posted a profit of Euro 1.73 million, showing an improvement of about Euro 3.5 million compared to a loss of Euro 1.76 million recorded during the first 2020/2021 half-year.

The Piquadro brand's adjusted EBITDA amounted to a profit of Euro 2.5 million during the half-year ended 30 September 2021, compared to a profit of Euro 1.3 million at 30 September 2020; The Bridge brand's adjusted EBITDA amounted to a profit of Euro 1.2 million during the half-year ended 30 September 2021, up by Euro 1.2 million compared to the same figure in September 2020; Maison Lancel's adjusted EBITDA amounted to a loss of Euro 2 million during the half-year ended 30 September 2021, showing an improvement of Euro 1.1 million compared to the same figure in September 2020.

Financial indicators <i>(in thousands of Euro)</i>	30/09/2021	30/09/2020
EBIT	408	(3,122)
Adjusted EBIT	(190)	(3,410)

In applying IFRS 16, the Piquadro Group recorded a positive EBIT of about Euro 0.4 million during the half-year ended 30 September 2021, showing an improvement of Euro 3.5 million compared to a loss of Euro 3.1 million recorded during the half-year ended 30 September 2020.

Adjusted EBIT, which is defined as EBIT, excluding the effects arising from the adoption of IFRS 16, posted a loss of Euro 0.2 million, showing an improvement of Euro 3.2 million compared to a loss of Euro 3.4 million recorded during the half-year ended 30 September 2020.

Financial indicators <i>(in thousands of Euro)</i>	30/09/2021	30/09/2020
Net Result/ (Loss) for the period	(1,465)	(4,142)

In applying IFRS 16, the Piquadro Group posted a Group loss of Euro 1.5 million during the half-year ended 30 September 2021, showing an improvement of about Euro 2.6 million compared to a loss of Euro 4.1 million recorded at 30 September 2020.

The Group's Results of operations

In the first six months of the 2021/2022 financial year the Group reported a sales performance increasing by 31.2% compared to the same period in the 2020/2021 financial year. In the half-year ended 30 September 2021, the Piquadro Group reported, in fact, net sales revenues equal to Euro 63,690 thousand compared to Euro 48,554 thousand reported in the corresponding period in the 2020/2021 financial year.

In terms of profitability, the Piquadro Group reported EBITDA of Euro 8.5 million in the half-year ended 30 September 2021, showing an improvement of Euro 3.7 million compared to Euro 4.8 million recorded in the half-year ended 30 September 2020.

Adjusted EBITDA posted a profit of Euro 1.7 million, up by about Euro 3.5 million compared to the same figure for the first 2020/2021 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 posted a profit of Euro 2.5 million, during the half-year ended 30 September 2021, up by about Euro 1.2 million compared to the same figure in September 2020; The Bridge brand's adjusted EBITDA posted a profit of Euro 1.3 million during the half-year ended 30 September 2021, up by Euro 1.2 million compared to the same figure in September 2020; Maison Lancel's adjusted EBITDA posted a loss of Euro 2.0 million during the half-year ended 30 September 2021, showing an improvement of Euro 1.1 million compared to the same figure in September 2020.

The Piquadro Group posted a positive EBIT of Euro 0.4 million during the half-year ended 30 September 2021.

Adjusted EBIT posted a loss of Euro 0.2 million, up by Euro 3.2 million compared to a loss of Euro 3.4 million recorded in the half-year ended 30 September 2020.

The Piquadro Group posted a Group loss of Euro 1.5 million during the half-year ended 30 September 2021 compared to a loss of Euro 4.1 million recorded at 30 September 2020.

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 31.2% (equal to Euro 15.1 million) in Group revenues, the work continued on 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 Group's results of operations posted for each brand (Piquadro, The Bridge, Lancel) in operational terms; the disclosures under IFRS 8 concerning the 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 <i>(in thousands of Euro)</i>	Net revenues at 30 September 2021	%	Net revenues at 30 September 2020	%	% change 2021/2020
PIQUADRO	28,230	44.3%	22,372	46.1%	26.2%
THE BRIDGE	11,127	17.5%	8,314	17.1%	33.8%
LANCEL	24,333	38.2%	17,868	36.8%	36.2%
Total	63,690	100.0%	48,554	100.0%	31.2%

With reference to the Piquadro brand, revenues amounted to Euro 28.2 million during the first half of the 2021/2022 financial year, up by 26.2% compared to the same period ended 30 September 2020. All sales channels showed an increase compared to the same period ended 30 September 2020; wholesale recorded an increase of 19.8%, while DOSs showed a growth of 44.5% and e-commerce showed an increase of 9.4%.

With reference to The Bridge brand, revenues amounted to Euro 11.1 million during the first half of the 2021/2022 financial year, ended 30 September 2021, up by 33.8% compared to the same period ended 30 September 2020. All sales channels showed an increase compared to the same period ended 30 September 2020; wholesale recorded an increase of 31.8%, while DOSs showed a growth of 49.3% and e-commerce showed an increase of 13.3%.

Maison Lancel's sales revenues amounted to Euro 24.3 million during the first half of the 2021/2022 financial year, ended 30 September 2021, up by 36.2% compared to the same period ended 30 September 2020. As regards Maison Lancel too, all sales channels showed an increase compared to the same period ended 30 September 2020; wholesale recorded an increase of 64.3%, while DOSs showed a growth of 23.9% and e-commerce showed an increase of 79.7%.

Breakdown of revenues by geographical area

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

Geographical Area <i>(in thousands of Euro)</i>	Net revenues at 30 September 2021	%	Net revenues at 30 September 2020	%	% change 2021/2020
Italy	30,124	47.3%	24,383	50.2%	23.5%
Europe	31,247	49.1%	22,421	46.2%	39.4%
Rest of the world	2,319	3.6%	1,750	3.6%	32.5%
Total	63,690	100.0%	48,554	100.0%	31.2%

From a geographical point of view, the Piquadro Group's revenues on the Italian market amounted to Euro 30.1 million, equal to 47.3% of consolidated sales (50.2% of consolidated sales at 30 September 2020), up by 23.5% compared to the same period in the 2020/2021 financial year.

In the European market, the Group recorded revenues of Euro 31.2 million, equal to 49.1% of consolidated sales (46.2% of consolidated sales at 30 September 2020), up by 39.4% compared to the same period in the 2020/2021 financial year.

This increase was due to the growth in sales of the three Brands, particularly in countries such as Russia and Germany.

In the non-European geographical area (named "Rest of the World"), the Piquadro Group recorded revenues of Euro 2.3 million, equal to 3.6% of consolidated sales (3.6% of consolidated sales at 30 September 2020) with an increase of 32.5% compared to the same period in the 2020/2021 financial year. This growth was due in particular to the performance recorded by the Lancel Brand in Asia, where China is the most important market.

Investments

Gross investments in intangible assets, property, plant and equipment and financial assets in the half-years ended 30 September 2021 and 30 September 2020 were equal to Euro 1,357 thousand and to Euro 706 thousand, respectively, as reported below:

<i>(in thousands of Euro)</i>	30 September 2021	30 September 2020
Investments		
Intangible assets	213	361
Property, plant and equipment	1,144	345
Non-current financial assets	0	0
Total	1,357	706

Increases in intangible assets came to Euro 213 thousand in the half-year ended 30 September 2021 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 1,144 thousand in the in the half-year ended 30 September 2021 and were mainly attributable to furniture and furnishings purchased for the refurbishment of already existing DOSs.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Below is summarised the Group's consolidated statement of financial position at 30 September 2021 (compared to the corresponding statement at 31 March 2021 and 30 September 2020):

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021	30 September 2020
Trade receivables	28,988	23,166	30,456
Inventories	39,371	36,206	41,435
(Trade payables)	(36,894)	(33,704)	(35,123)
<i>Total net current trade assets</i>	<i>31,465</i>	<i>25,668</i>	<i>36,768</i>
Other current assets	6,961	6,600	4,921
Tax receivables	3,204	3,096	3,522
(Other current liabilities)	(9,937)	(8,366)	(8,475)
(Tax payables)	(1,959)	(865)	(1,883)
A) Working capital	29,734	26,133	34,853
Intangible assets	6,481	7,064	7,376
Property, plant and equipment	13,823	12,899	12,672
Right-of-use assets	46,027	48,170	47,910
Non-current financial assets	2	27	22
Receivables from others beyond 12 months	2,652	2,583	2,258
Deferred tax assets	6,061	6,064	4,672
B) Fixed assets	75,046	76,807	74,910
C) Non-current provisions and non-financial liabilities	(6,681)	(6,771)	(6,227)
Net invested capital (A+B+C)	98,099	96,169	103,537
FINANCED BY:			
D) Net financial debt	45,435	41,181	46,376
E) Equity attributable to Minority interests	0	0	(353)
F) Equity attributable to the Group	52,664	54,988	57,513
Total borrowings and Shareholders' Equity (D+E+F)	98,099	96,169	103,537

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):

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021	30 September 2020
(A) Cash	44,730	57,154	51,648
(B) Cash equivalents	0	0	0
(C) Other current financial assets	31	47	0
of (D) Liquidity (A) + (B) + (C)	44,761	57,201	51,648
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(16,773)	(17,319)	(14,054)
(F) Current portion of non-current financial debt	(7,647)	(9,965)	(15,083)
(G) Current financial debt (E) + (F)	(24,420)	(27,284)	(29,137)
(H) Net current financial debt (G) - (D)	20,341	29,917	22,511
(I) Non-current financial debt (excluding current portion and debt instruments)	(61,177)	(66,493)	(64,884)
(J) Debt instruments	0	0	0
(K) Trade payables and other non-current payables	(4,599)	(4,605)	(4,003)
(L) Non-current financial debt (I) + (J) + (K)	(65,776)	(71,098)	(68,887)
(M) Total Financial Debt (H) + (L)	(45,435)	(41,181)	(46,376)

The Piquadro Group's Net Financial Position posted a negative value of Euro 45.4 million in the half-year ended 30 September 2021.

The impact arising from the adoption of the accounting standard IFRS 16 amounted to a negative value of Euro 51.7 million.

The Piquadro Group's adjusted Net Financial Position¹ posted a positive value of Euro 6.3 million, against a positive value of Euro 4.9 million in the adjusted net financial position posted at 30 September 2020. 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 Euro 1.4 million, the purchase of treasury shares for Euro 2.1 million and free cash inflows of about Euro 5.0 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 notice also reports the adjusted balances of the aforesaid items in order to make the figures at 30 September 2021 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 resulting from its financial statements and the corresponding consolidated values at 30 September 2021:

	Profit (loss) at 30 September 2021	Equity at 30 September 2021	Profit / (loss) at 31 March 2021	Equity at 31 March 2021
<i>(in thousands of Euro)</i>				
Equity and Profit (Loss) for the period as stated in the interim financial report of Piquadro S.p.A.	1,316	39,393	(1,789)	39,236
Derecognition of the carrying amount of consolidated equity investments	(2,780)	(27,103)	(4,002)	(24,323)
Non-recurring income arising from the acquisition of the Lancel Group, net of transaction costs	0	40,752	0	40,752
<i>Derecognition of the effects of transactions carried out between consolidated Companies:</i>				
- Profits stated among closing inventories	(292)	(1,721)	(151)	(1,429)
- Other minor effects	291	1,343	(173)	752
Group's equity and profit (loss) for the period	(1,465)	52,664	(6,115)	54,988
Minority interests' Profits (Losses) and Equity	0	0	323	0
Consolidated Equity and Profit (Loss)	(1,465)	52,664	(5,792)	54,988

OTHER INFORMATION

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 2021 the Group had 1,047 units, compared to 997 units at 30 September 2020.

Below is reported the breakdown of staff by Country:

Country	30 September 2021	30 September 2020
Italy	401	382
China	260	242
Hong Kong	1	4
Germany	1	1
Spain	24	27
Taiwan	12	11
France	303	291
San Marino	3	0
Switzerland	0	4
United Kingdom	2	2
Russia	40	33
Total	1,047	997

With reference to the Group's organisational structure, at 30 September 2021, 16.0% of staff operated in the production area, 51.7% in the retail area, 20.1% in the support functions (Administration, IT Systems, Purchasing, Quality, Human Resources, etc.), 7.5% in the Research and Development area and 4.7% 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 12 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 28 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 18 people.

The R&D work for the Lancel brand is carried out by the French subsidiary Lancel Sogedi S.A. through a team of 11 people.

Transactions with related parties

In compliance with the CONSOB Regulation on Related Parties, on 18 November 2010 the Board of Directors adopted the “Regulation governing transactions with Related Parties”.

On 15 June 2021 the Board of Directors of Piquadro S.p.A. adopted the new procedure governing related-party transactions, which was also set out by considering the instructions given by CONSOB for the application of the new rules by resolution no. 2164 of 10 December 2020.

This document is available on the website of Piquadro, www.piquadro.com, in the Section on Investor Relations.

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

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

Specifically, the Parent Company certifies that, with regard to said subsidiary:

- a) it makes available to the general public the subsidiaries’ accounting positions prepared for the purposes of drawing up the consolidated accounts, including at least the balance sheet and the income statement. These accounting positions are made available to the public by filing them with the registered office or by publishing them on the website of the controlling company;
- 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 as a result of which said system would be no longer possibly suitable to satisfy the conditions referred to above.

Significant events after the reporting date

No significant events are reported from 1 October 2021 to the date of preparation of this Report.

Outlook

The very positive performance in the first half of the 2021/2022 financial year reassures the company Management about expected recovery trends, also due to the investment policy implemented, the capacity of innovation and the Group’s capital and financial strength.

However, the Company is monitoring on an ongoing basis the evolution of the emergency relating to the spread of the COVID-19 virus, despite the fact that the performance of sales is decidedly positive.

In such a context, the company Management staff have maintained safety standards complying with regulatory guidelines and continue to pay significant attention to reducing operating costs and safeguarding liquid assets, as well as seizing any significant growth opportunity linked to the economic recovery.

Although the 2021/2022 financial year continues to be marked by uncertainty due to the pandemic, the Group is expected to return to profoundly improved profit margins in line with the company Management’s expectations.

Silla di Gaggio Montano (BO), 26 November 2021

FOR THE BOARD OF DIRECTORS

THE CHAIRMAN
Marco Palmieri



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of Euro)</i>	Notes	30 September 2021	31 March 2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	(1)	1,823	2,406
Goodwill	(2)	4,658	4,658
Right-of-use assets	(3)	46,027	48,170
Property, plant and equipment	(4)	13,823	12,899
Non-current financial assets	(5)	2	27
Receivables from others	(6)	2,652	2,583
Deferred tax assets	(7)	5,433	6,064
TOTAL NON-CURRENT ASSETS		74,418	76,807
CURRENT ASSETS			
Inventories	(8)	39,371	36,206
Trade receivables	(9)	28,988	23,166
Other current assets	(10)	6,961	6,553
Derivative assets	(11)	31	47
Tax receivables	(12)	3,832	3,096
Cash and cash equivalents	(13)	44,730	57,154
TOTAL CURRENT ASSETS		123,913	126,222
TOTAL ASSETS		198,331	203,029

<i>(in thousands of Euro)</i>	Notes	30 September 2021	31 March 2021
LIABILITIES			
EQUITY			
Share Capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		265	1,124
Retained earnings		51,864	57,979
Group profit/(loss) for the period		(1,465)	(6,115)
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP		52,664	54,988
Capital and reserves attributable to minority interests		0	(323)
Profit/(loss) for the period attributable to minority interests		0	323
TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		0	0
TOTAL EQUITY	(14)	52,664	54,988
NON-CURRENT LIABILITIES			
Borrowings	(15)	26,072	30,211
Payables to other lenders for lease agreements	(16)	35,105	36,288
Other non-current liabilities	(17)	4,598	4,599
Provision for employee benefits	(18)	3,778	3,839
Provisions for risks and charges	(19)	2,903	2,905
TOTAL NON-CURRENT LIABILITIES		72,456	77,842
CURRENT LIABILITIES			
Borrowings	(20)	7,647	9,874
Payables to other lenders for lease agreements	(21)	16,621	17,202
Derivative liabilities	(22)	82	118
Trade payables	(23)	36,894	33,704
Other current liabilities	(24)	10,008	8,436
Tax payables	(25)	1,959	865
TOTAL CURRENT LIABILITIES		73,211	70,199
TOTAL LIABILITIES		145,667	148,041
TOTAL EQUITY AND LIABILITIES		198,331	203,029

CONSOLIDATED INCOME STATEMENT

<i>(in thousands of Euro)</i>	Notes	30 September 2021	30 September 2020
REVENUES			
Revenues from sales	(26)	63,690	48,554
Other income	(27)	1,379	248
TOTAL REVENUES (A)		65,069	48,802
OPERATING COSTS			
Change in inventories	(28)	(3,095)	(3,580)
Costs for purchases	(29)	13,321	11,311
Costs for services and leases and rentals	(30)	28,174	22,939
Personnel costs	(31)	17,403	12,658
Amortisation, depreciation and write-downs	(32)	8,455	8,290
Other operating costs	(33)	403	306
TOTAL OPERATING COSTS (B)		64,661	51,924
OPERATING PROFIT (A-B)		408	(3,122)
FINANCIAL INCOME AND COSTS			
Financial income	(34)	445	539
Financial costs	(35)	(1,328)	(1,377)
TOTAL FINANCIAL INCOME AND COSTS		(883)	(838)
PROFIT (LOSS) BEFORE TAX		(475)	(3,960)
Income tax	(36)	(990)	(182)
PROFIT (LOSS) FOR THE PERIOD		(1,465)	(4,142)
attributable to:			
EQUITY HOLDERS OF THE COMPANY		(1,465)	(4,102)
MINORITY INTERESTS		0	(39)
(Basic) Earnings /(loss) per share in Euro	(37)	(0.029)	(0.083)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousands of Euro)</i>	30 September 2021	30 September 2020
Profit/(loss) for the period (A)	(1,465)	(4,142)
Components that can be reclassified to profit or loss		
Profit (loss) arising from the translation of financial statements of foreign companies	261	(125)
Profit (loss) on cash flow hedge instruments	15	(278)
Components that cannot be reclassified to profit or loss		
Actuarial gain (losses) on defined-benefit plans	30	(215)
Total profits/(losses) recognised in equity (B)	307	(618)
Total comprehensive profits/(losses) for the period (A) + (B)	(1,158)	(4,759)
Attributable to		
- Group	(1,158)	(4,729)
- Minority interests	0	(30)

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(in thousands of Euro)

Description	Other reserves											Capital and reserves attributable to Minority Interests	Profit/ (Loss) attributable to minority Interests	Total equity attributable to the Group and to Minority Interests
	Share Capital	Share premium reserve	Translation reserve	Fair value reserve	Reserve for Employee Benefits	Reserve for treasury shares in portfolio	Other reserves	Total Other reserves	Retained earnings	Group Profit/(Loss)	Equity attributable to the Group			
Balances at 31 March 2020	1,000	1,000	1,689	121	(101)	0	556	2,264	65,693	(7,714)	62,241	(282)	(41)	61,920
Profit/ (Loss) for the period										(4,102)	(4,102)		(39)	(4,141)
<i>Other comprehensive result at 30 September 2020</i>														
- Exchange differences from translation of financial statements in foreign currency			(134)					(134)			(134)	9		(125)
- Reserve for actuarial gains (losses) on defined-benefit plans					(215)			(215)			(215)			(215)
- Other changes (consolidation area)								0			0			0
- Fair value of financial instruments				(278)				(278)			(278)			(278)
Comprehensive Income/(Loss) for the period	0	0	(134)	(278)	(215)	0	(627)	0	(4,102)	(4,729)	9	(39)	(4,759)	
- Distribution of dividends to shareholders										0				0
- Allocation of the result for the year at 31 March 2020 to reserves									(7,714)	7,714	0	(41)	41	0
Fair value of Stock Option Plans								0			0			0
Balances at 30 September 2020	1,000	1,000	1,555	(158)	(316)	0	556	1,637	57,979	(4,102)	57,511	(314)	(39)	57,161
Balances at 31 March 2021	1,000	1,000	1,807	(53)	(219)	(967)	556	1,124	57,979	(6,115)	54,988	(323)	323	54,988
Profit/ (Loss) for the period										(1,465)	(1,465)			(1,465)
<i>Other comprehensive result at 31 March 2021</i>														
- Exchange differences from translation of financial statements in foreign currency			261					261			261			261
- Reserve for actuarial gains (losses) on defined-benefit plans					30			30			30			30
- Other changes (consolidation area)								0			0			0
- Fair value of financial instruments				15				15			15			15
Comprehensive Income/(Loss) for the period	0	0	261	15	30	(1,166)	0	307	0	(1,465)	(1,158)	0	0	(1,158)
- Negative reserve for purchase of treasury shares in portfolio						(1,166)		(1,166)			(1,166)			(1,166)
- Distribution of dividends to shareholders										0	0			0
- Allocation of the result for the year at 31 March 2021 to reserves									(6,115)	6,115	0	323	(323)	0
Balances at 30 September 2021	1,000	1,000	2,068	(38)	(189)	(2,133)	556	265	51,864	(1,465)	52,664	0	0	52,664

CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousands of Euro)</i>	30 September 2021	30 September 2020
Profit before tax	(475)	(3,960)
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	1,791	1,822
Amortisation of Right-of-use assets	6,235	5,816
Write-downs of property, plant and equipment/intangible and right-of-use assets	40	267
Other provisions	432	0
Provision for bad debts	384	372
Net financial costs/(income), including foreign exchange differences	883	393
Cash flow from operating activities before changes in working capital	9,290	4,710
Change in trade receivables (including the provision)	(6,206)	(4,357)
Change in inventories	(3,398)	(3,476)
Change in other current assets	(1,131)	1,225
Change in trade payables	3,190	(3,899)
Change in provisions for risks and charges	(231)	(642)
Change in other current liabilities	1,572	1,508
Change in tax receivables/payables	(33)	3,497
Cash flow from operating activities after changes in working capital	3,053	(1,434)
Taxes paid	0	(1,889)
Interest paid	(177)	(52)
Cash flow generated from operating activities (A)	2,876	(3,375)
Investments in intangible assets	(218)	(719)
Investments in property, plant and equipment	(1,954)	(388)
Changes generated from investing activities (B)	(2,172)	(1,107)
Financing activities		
Change in short- and medium/long-term borrowings	(6,366)	6,529
- New loans	480	6,900
- Repayments and other net changes in Borrowings	(6,846)	(371)
Changes in financial instruments	0	34
Changes in treasury shares in portfolio	(1,166)	0
Repayments for lease liabilities	(5,857)	(7,881)
Dividends paid	0	0
Cash flow generated from/(used in) financing activities (C)	(13,389)	(1,319)
Change in translation reserve (D)	261	(102)
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	(12,424)	(5,902)
Cash and cash equivalents at the beginning of the period	57,154	57,550
Cash and cash equivalents at the end of the period	44,730	51,648



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 Piquubo 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 Piquubo S.p.A., which is 100% owned. Piquubo 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 Interim Report on operations prepared by the Directors.

These consolidated condensed interim financial statements were approved by the Board of Directors on 26 November 2021.

BASIS OF PREPARATION OF CONSOLIDATED CONDENSED INTERIM 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 consolidated condensed interim financial statements at 30 September 2021, was prepared pursuant to Article 154-*ter* of Legislative Decree no. 58/98 and in accordance with International Accounting Standards (IAS/IFRS) adopted by the European Union and in particular with the accounting standard applicable to interim financial reporting (IAS 34).

IAS 34 allows interim financial statements to be prepared in a "condensed" form, i.e. on the basis of minimum disclosures substantially less detailed than required by IFRS as a whole, provided that a complete set of financial statements prepared on the basis of IFRS has been previously made available to the public.

These consolidated condensed interim 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 2021 prepared in accordance with IFRS adopted by the European Union, to which reference is made for a better understanding of the Group's business and structure and of the accounting standards and criteria adopted.

The preparation of interim financial statements in accordance with IAS 34 – Interim Financial Reporting requires judgments, estimates and assumptions that impact on the value of the assets, liabilities, costs and revenues. It should be noted that the final results may prove different from those obtained as a result of these estimates.

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

Any subjective valuation that is relevant to the company Management in applying accounting standards and the main sources of uncertainty in the estimates are the same as those applied to prepare the Group's consolidated financial statements at 31 March 2021 to which reference should be made.

The directors have assessed whether the going-concern assumption can be applied to prepare the consolidated condensed interim 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.

The consolidated accounting statements (consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated cash flow statement and statement of changes in consolidated equity) are prepared in an extended form and are the same as those adopted for the consolidated Financial Statements at 31 March 2021.

Economic data, changes in equity and cash flows for the half-year ended 30 September 2021 are compared to the half-year ended 30 September 2020. Financial data at 30 September 2021 are compared to the corresponding values at 31 March 2021 (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 2021, nor did any atypical or unusual transactions significantly affect the operating result.

Principles of consolidation

Subsidiaries

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

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

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

The criteria adopted in applying the method of consolidation on a line-by-line basis are mainly the following:

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

Scope of consolidation

The consolidated condensed interim financial statements at 30 September 2021 include the interim financial statements of the Parent Company Piquadro S.p.A. and of all companies over which it exercises control, either directly or indirectly.

The complete list of the companies included in the scope of consolidation at 30 September 2021, with the related shareholders’ equity and share capital recognised according to local accounting standards (as the Group companies have prepared their interim financial statements according to the local regulations and accounting standards, and have only prepared the consolidation file according to IFRS functionally to the consolidation into Piquadro) are reported in the table below:

Scope of consolidation at 30 September 2021

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	39,393	Parent Company
Piquadro España SLU	Barcelona	Spain	EUR	898	869	100%
Piquadro Deutschland GmbH	Munich	Germany	EUR	25	39	100%
Uni Best Leather Goods Zhongshan Co. Ltd.	Guangdong	People’s Republic of China	CNY	22,090	385	100%
Piquadro Hong Kong Co. Ltd.	Hong Kong	Hong Kong	HKD	2,000	493	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	TWD	25,000	30,579	100%
Piquadro UK Limited	London	United Kingdom	GBP	1,000	1,025	100%
OOO Piquadro Russia	Moscow	Russia	RUB	10	54,370	100%
Piquadro Retail San Marino	San Marino	San Marino	EUR	26	26	100%

The Bridge S.p.A.	Scandicci	Italy	EUR	50	4,385	100%
Lancel International SA	Villar-Sur-Glane	Switzerland	CHF	35,090	23,834	99.98%
Lancel Sogedi	Paris	France	EUR	20,000	11,260	100%
Lancel Italia	Gaggio Montano (BO)	Italy	EUR	100	74	100%
Lancel Iberia	Barcelona	Spain	EUR	3	171	100%
Lancel Russia	Moscow	Russia	RUB	10	(21,274)	100%
Lancel Zhongshan	Guangdong	People's Republic of China	CNY	6,000	6,902	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.

Piquadro San Marino Retail S.r.l. was consolidated in June 2021, from when the outlet store at San Marino had been remained open to the general public and fully operational.

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 2021 and 30 September 2020 (foreign currency corresponding to Euro 1). Furthermore, the financial statements also report the closing exchange rates at 31 March 2021 for comparison purposes.

Foreign currency	Average			Closing		
	30/09/21	31/03/21	30/09/20	30/09/21	31/03/21	30/09/20
Hong Kong Dollar (HKD)	9.26	9.05	8.80	9.01	9.12	9.07
Renminbi (CNY)	7.70	7.90	7.95	7.48	7.68	7.97
Taiwan Dollar (TWD)	33.28	33.77	33.62	32.22	33.42	33.97
Swiss Franc (CHF)	1.09	1.08	1.07	1.08	1.11	1.08
Great Britain Pound (GBP)	0.85	0.89	0.90	0.86	0.85	0.91
US Dollar (USD)	1.19	1.17	1.14	1.15	1.17	1.17
Russian Rouble (RUB)	88.04	86.65	82.99	84.33	88.32	91.78

Main events that occurred during the financial year ended 30 September 2021 and related significant accounting effects

International accounting standards, amendments and IFRS interpretations applied from 1 April 2021

The following accounting standards, amendments and IFRS interpretations were applied by the Group for the first time as from 1 April 2021:

- On 28 May 2020 the IASB published “*Covid-19-Related Rent Concessions (Amendment to IFRS 16)*.” The document provides for the lessees’ right to account for any COVID-19-related reduction in rents without having to assess, through a review of contracts, whether the definition of lease modification is met under IFRS 16. Therefore, lessees who apply this option may account for the effects of rent reductions directly through profit or loss on the effective date of the reduction. This amendment shall apply to financial statements for financial periods commencing on or after 1 June 2020. The adoption of this amendment did not have any effect on the Group's consolidated financial statements, since the Group did not make use of this option.

• On 27 August 2020 the IASB published, following the reform on interbank interest rates, such as the IBOR, the document concerning the “Interest Rate Benchmark Reform - Phase 2”, which makes amendments to the following standards:

- IFRS 9 Financial Instruments;
- IAS 39 Financial Instruments: Recognition and Measurement;
- IFRS 7 Financial Instruments: Disclosures;
- IFRS 4 Insurance Contracts; and
- IFRS 16 Leases.

All amendments became effective on 1 January 2021. The adoption of this amendment did not have any effect on the Group’s consolidated financial statements.

• On 31 March 2021 the IASB published “*Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)*” whereby it extended by one year the period of application of the amendment to IFRS 16, issued in 2020, relating to the method of accounting for concessions granted to lessees due to the COVID-19 pandemic. This amendment applied from 1 April 2021 for financial statements for periods commencing on or after 1 January 2021. The adoption of this amendment did not have any effect on the Group's consolidated financial statements, since the Group did not make use of the option to directly account for rent reductions connected with the COVID-19 pandemic through profit or loss without having to assess, through the analysis of contracts, whether the definition of lease modification had been met under IFRS 16.

Accounting standards, amendments and IFRS/IFRIC interpretations endorsed by the European Union, but not yet mandatorily applicable and not early adopted by the Group at 30 September 2021

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 this 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, any and 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 any and 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*.

All amendments will be applicable from 1 January 2022. At present the directors are assessing any possible effect of the first-time adoption of these amendments on the Piquadro Group’s consolidated financial statements.

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

As at the reporting date of this document, 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 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 in order to remove inconsistencies and weaknesses from the existing accounting policies, providing a single principle-based framework to take account of any and all types of insurance contracts, including reinsurance contracts that are held by an insurer.

The new standard also provides for the reporting and disclosure requirements required to improve the comparability between the entities belonging to this sector.

The new standard measures an insurance contract on the basis of a General Model or a simplified version thereof, named Premium Allocation Approach (“PAA”).

The standard will be applicable from 1 January 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 Piquadro Group’s consolidated financial statements from the adoption of this standard.

- On 23 January 2020 the IASB published “*Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.*” The purpose of the document is to clarify how to classify payables and other short- or long-term liabilities. The amendments shall apply from 1 January 2023; however, early adoption is 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 12 February 2021 the IASB published two amendments, “*Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2*” and “*Definition of Accounting Estimates—Amendments to IAS 8.*” The amendments are aimed at improving disclosure about accounting policies so as to provide more useful information to investors and other primary users of financial statements, as well as to help companies distinguish changes in accounting estimates from changes in accounting policies. The amendments will become applicable from 1 January 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.

- 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 become applicable from 1 January 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 30 January 2014 the IASB published IFRS 14 – *Regulatory Deferral Accounts*, which only allows the first-time adopters of IFRS to continue to recognise the amounts relating to the Rate-regulated Activities according to the accounting standards previously adopted. Since the Group is not a first-time adopter, this standard is not applicable.

COMMENTS ON THE ITEMS OF THE STATEMENT OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

Note 1 – Intangible assets

As at 30 September 2021 the value of intangible assets was equal to Euro 1,823 thousand (Euro 2,406 thousand at 31 March 2021).

Below is reported the breakdown of this item:

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021	Change
Industrial patent rights	52	56	(5)
Software, licences, trademarks and other rights	1,697	1,826	(129)
Fixed assets under development	74	524	(450)
Total	1,823	2,406	(583)

During the half-year ended 30 September 2021 investments in intangible assets came to Euro 213 thousand and mainly related to the Group's investments in software and renewal of licenses and trademarks. The change in fixed assets under development relates to investments in new sales outlets, which are in the process of being opened and now reclassified to property, plant and equipment.

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 has been accounted for in accordance with the provisions laid down in IFRS 3 revised. Specifically, the Management has carried out a measurement of assets or liabilities and potential liabilities at fair value, on the basis of the information on existing facts or circumstances which was available on the date of the acquisition.

In accordance with IAS 36, no impairment test was conducted on the goodwill value stated at 30 September 2021, since there was no evidence of permanent impairment losses.

Note 3 - Right-of-use assets

Below is the breakdown of this item:

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021	Change
Land and Buildings	44,813	46,767	(1,954)
Key Money	1,005	1,085	(80)
Equipment	4	7	(3)
Other assets	205	311	(106)
Total	46,027	48,170	(2,143)

The "Right-of-use" item amounted to Euro 46,027 thousand at 30 September 2021 and was mainly made up of assets relating to lease agreements for shops, the Group's showroom, offices or logistics and, to a lesser extent, long-term car hire.

The changes reported compared to 31 March 2021 related to amortisation for Euro 6,239 thousand, as well as to increases in the period that were mainly due to the new lease agreements signed for the stores in San Marino, Paris (Rue Victor Hugo), Cannes (Antibes) and Nice (Cap 3000) for Euro 4,096 thousand.

On the basis of the present situation and the information available to date, it is believed that there is no evidence of impairment such as to require a recalculation of the recoverable amount of the rights of use recorded in the Group's consolidated financial statements at 30 September 2021.

Note 4 – Property, plant and equipment

As at 30 September 2021, the value of property, plant and equipment was equal to Euro 13,823 thousand (Euro 12,899 thousand at 31 March 2021). Below is reported the breakdown of this item:

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021	Change
Land	878	878	-
Buildings	3,363	3,447	(84)
Plant and machinery	1,177	1,216	(39)
Industrial and commercial equipment	7,938	7,286	652
Other assets	39	52	(13)
Fixed assets under construction and advances	429	20	409
Total	13,823	12,899	924

Increases in property, plant and equipment came to Euro 1,144 thousand in the half-year ended 30 September 2021 and mainly related to the investments made by Maison Lancel following the recent opening of points of sale in Asia. The change in fixed assets under construction mainly relates to investments in new sales outlets, which are in the process of being opened and previously classified among property, plant and equipment.

Furthermore, write-downs of Euro 40 thousand of commercial equipment were recorded during the period, which related to the closure of some Piquadro and Maison Lancel-branded stores, both in Italy and abroad.

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 2,652 thousand at 30 September 2021 (against Euro 2,583 thousand at 31 March 2021), 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 DOSSs.

Note 7 – Deferred tax assets and liabilities

As at 30 September 2021, the amount of deferred tax assets was equal to Euro 5,433 thousand (Euro 6,064 thousand at 31 March 2021). The amount was the net balance between deferred tax assets (Euro 5,690 thousand) and deferred tax liabilities (Euro 257 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:

<i>(in thousands of Euro)</i>	Gross value at 30 September 2021	Provision for write-down	Net value at 30 September 2021	Net value at 31 March 2021
Raw Materials	6,394	(1,817)	4,577	4,659
Semi-finished products	791	0	791	722
Finished products	42,534	(8,531)	34,003	30,825
Inventories	49,719	(10,348)	39,371	36,206

As at 30 September 2021, inventories showed an increase of about Euro 3.2 million compared to the corresponding values at 31 March 2021 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 in the 2020/2021 financial year to a considerable reduction in revenues from sales, as already referred to above. As regards the Piquadro brand, we must note an impairment in Finished product stock due to the damage caused by the fire mentioned above.

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

<i>(in thousands of Euro)</i>	Provision at 31 March 2021	Use	Allocation	Provision at 30 September 2021
Provision for write-down of raw materials	1,817	(40)	40	1,817
Provision for write-down of finished products	8,298	0	233	8,531
Total provision for write-down of inventories	10,115	(40)	273	10,348

Note 9 - Trade receivables

As at 30 September 2021, trade receivables were equal to Euro 28,988 thousand against Euro 23,166 thousand at 31 March 2021. The increase compared to 31 March 2021 was mainly attributable to a recovery in sales recorded during the half-year, compared to the previous financial year, strongly impacted by effects of the COVID-19 pandemic.

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:

<i>(in thousands of Euro)</i>	Provision at 30 September 2021	Provision at 31 March 2021
Balance at the beginning of the year	3,621	3,744
Accrual to provision	385	656
Uses	(461)	(779)
Total provision for bad debts	3,545	3,621

Note 10 – Other current assets

Below is reported the breakdown of other current assets:

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021
Other assets	3,634	2,575
Accrued income and prepaid expenses	3,327	3,978
Other current assets	6,961	6,553

Other assets mainly related to advances of Euro 218 thousand for INAIL (Italian Institute of Insurance against Accidents at Work), advances from suppliers for Euro 1,542 thousand and receivables from international circuits for acceptance of credit cards for Euro 173 thousand, as well as, for about Euro 800 thousand, to the insurance refund arising from a prudent estimate made by the expert appointed by the Group concerning the damage caused by the fire

that broke out on 17 August, which partially caused damage to a system of the warehouse and the products stored therein.

The decrease of Euro 508 thousand in accrued income and prepaid expenses was mainly attributable to lower costs for advertising and fairs.

Note 11 - Derivative assets

As at 30 September 2021 currency (USD) forward purchases were reported with a positive fair value, for an amount of Euro 31 thousand. The Group hedges the exchange risk connected to purchases of raw materials in US dollars and for contract work done in China. In consideration for this risk, the Group makes use of instruments to hedge the associated interest rate risk, trying to fix the exchange rate at a level that is in line with the budget forecasts. These derivatives are accounted for as cash flow hedge under hedge accounting.

Note 12 – Tax receivables

As at 30 September 2021, tax receivables were equal to Euro 3,832 thousand (Euro 3,095 thousand at 31 March 2021) and were mainly made up of VAT credits of the Italian companies.

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021
Income tax receivables	804	998
VAT Credit	2,348	2,097
Other tax receivables	680	0
Tax receivables	3,832	3,095

Furthermore, we must note the recognition of:

- A tax credit of Euro 265 thousand arising from the application for lease tax credit for 2021 (TCL) for properties for non-residential use and lease of business units, regulated by Article 4 of Decree Law 73/2021 (Law no. 106 of 23 July 2021), which is also granted to companies carrying out retail activities, with revenues exceeding Euro 15 million in 2020;
- A tax credit of Euro 414 thousand arising from the application of the sanitization bonus in 2021 for companies that have incurred costs for the sanitization of premises and tools and for the purchase of personal protective equipment and other useful devices to ensure occupational health.

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:

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021
Available current bank accounts	44,461	56,948
Cash, cash on hand and cheques	269	206
Cash and cash equivalents	44,730	57,154

LIABILITIES

NON-CURRENT LIABILITIES

Note 14 - EQUITY

Share capital

As at 30 September 2021, the Share Capital of Piquadro S.p.A. was equal to Euro 1,000 thousand and was represented by no. 50,000,000 ordinary shares, fully subscribed and paid up, with regular enjoyment, with no indication of their par value.

Share premium reserve

This reserve, which remained unchanged compared to the financial year ended at 31 March 2021, was equal to Euro 1,000 thousand.

Reserve for treasury shares

This reserve showed a negative value of Euro 2,133 thousand and was set aside against the 1,194,592 treasury shares in portfolio at 30 September 2021, while it showed a negative value of Euro 967 thousand at 31 March 2021.

Translation reserve

As at 30 September 2021 the translation reserve was positive for Euro 2,074 thousand (it reported a positive balance of Euro 1,807 thousand at 31 March 2021). 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), OOO Piquadro Russia and Lancel Russia (the relevant currency being the Russian Rouble).

Fair value reserve - for cash flow hedge

This reserve was negative for Euro 38 thousand and included changes in fair value of the effective component of cash flow hedge derivatives, net of deferred taxation (at 31 March 2021 it showed a negative balance of Euro 53 thousand).

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

This reserve was negative for Euro 189 thousand (at 31 March 2021 it showed a negative balance of Euro 219 thousand).

Group Profit/(Loss)

This item relates to the recognition of the loss reported by the Group for the period, equal to Euro 1,465 thousand, in the half-year ended 30 September 2021.

Profits/(Losses) and reserves attributable to minority interests

The item refers to the portions of reserves and profits, attributable to minority interests, showing a nil amount following the deconsolidation of Piquadro Swiss in 2021, to which almost all of the profits and negative reserves attributable to minority interests had been charged.

Note 15 – Non-current borrowings

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

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021
Borrowings from 1 to 5 years	33,364	30,036
Borrowings beyond 5 years	355	175
Medium/long-term borrowings	33,719	30,211

As at 30 September 2021, borrowings, which were mainly attributable to the Parent Company Piquadro S.p.A., were related to non-current liabilities for Euro 26,072 thousand and to current liabilities for Euro 7,647 thousand (Note 20).

The repayment of the loan with Mediocredito for the initial amount of Euro 4.5 million was completed in June 2021.

The repayment of the loan with BPER Banca for the initial amount of Euro 2.0 million was completed in June 2021.

The repayment of the loan with Unicredit for the initial amount of Euro 3.0 million was completed in July 2021.

The short-term loan with Unicredit for the amount of Euro 3.0 million was repaid in full in September 2021.

On 29 April 2021 a loan was taken out with SACE Simest (Cassa Depositi e Prestiti Group) for Euro 480 thousand for The Bridge S.p.A..

Borrowings at 30 September 2021 related to non-current liabilities for Euro 26,072 thousand and to current liabilities for Euro 7,647 thousand (Note 21) and included the following loans granted to the parent company:

- Euro 3,428 thousand relating to the unsecured loan granted by BPER Banca on 10 November 2018 (for an initial amount of Euro 5,000 thousand), of which a current portion of Euro 997 thousand and a non-current portion of Euro 2,439 thousand;
- Euro 379 thousand relating to the unsecured loan granted by Cassa di Risparmio in Bologna (now Intesa Sanpaolo) on 30 November 2016 (for an initial amount of Euro 2,500 thousand), relating to the current portion only;
- Euro 189 thousand relating to the unsecured loan granted by Credem – Credito Emiliano on 7 December 2016 (for an initial amount of Euro 3,000 thousand), relating to the current portion only;
- Euro 899 thousand relating to the unsecured loan granted by Banca Monte dei Paschi di Siena on 30 January 2017 (for an initial amount of Euro 3,000 thousand), of which a current portion of Euro 599 thousand and a non-current portion of Euro 300 thousand;
- Euro 2,994 thousand relating to the unsecured loan granted by Banca Monte dei Paschi di Siena on 27 November 2018 (for an initial amount of Euro 5,000 thousand), of which a current portion of Euro 997 thousand and a non-current portion of Euro 1,997 thousand;
- Euro 756 thousand relating to the unsecured loan granted by UBI Banca (now Intesa Sanpaolo) on 22 May 2017 (for an initial amount of Euro 3,000 thousand), of which a current portion of Euro 605 thousand and a non-current portion of Euro 152 thousand;
- Euro 3,758 thousand relating to the unsecured loan granted by Unicredit on 18 October 2019 (for an initial amount of Euro 5,000 thousand), of which a current portion of Euro 1,991 thousand and a non-current portion of Euro 1,766 thousand;
- Euro 6,250 thousand relating to the loan granted by Intesa Sanpaolo on 27 July 2020 (for an initial amount of Euro 6,250 thousand), of which a current portion of Euro 893 thousand and a non-current portion of Euro 5,357 thousand;
- Euro 4,241 thousand relating to the unsecured loan granted by Intesa Sanpaolo on 24 January 2020 (for an initial amount of Euro 5,000 thousand), of which a current portion of Euro 996 thousand and a non-current portion of Euro 3,245 thousand;

- Euro 4,995 thousand relating to the loan granted by Unicredit on 11 September 2020 (for an initial amount of Euro 5,000 thousand), entirely relating to the non-current portion;
- Euro 700 thousand relating to the loan granted by Sace Simest (Cassa Depositi e Prestiti Group) on 20 January 2021, entirely relating to the non-current portion;

and the following loans granted to the Italian subsidiary The Bridge S.p.A:

- Euro 4,650 thousand granted in September 2020, making recourse to the Guarantee Fund under Law no. 662 of 1996, expiring on 30 June 2027, with pre-amortisation until 31 June 2023. A derivative instrument (IRS – Interest Rate Swap) was entered into to hedge fluctuations in interest rates against this loan;
- Euro 480 thousand relating to the loan granted by Sace Simest (Cassa Depositi e Prestiti Group) on 29 April 2021, entirely relating to the non-current portion, expiring on 31 December 2027, with pre-amortisation until 31 December 2023.

Below is the breakdown of the loans:

<i>(in thousands of Euro)</i>	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	0.125% quarterly	10-Nov-18	5,000	Euro	1,002	(3)	2,434	(4)	3,428
Carisbo loan	0.38% six-monthly	30-Nov-16	2,500	Euro	379	(0)	0	0	379
Credem loan	0.4% six-monthly	07-Dec-16	3,000	Euro	189	0	0	0	189
MPS loan	0.7% p.a.	30-Jan-17	3,000	Euro	600	(1)	300	0	899
MPS loan	3-m EURIBOR +1-1 spread	27-Nov-18	5,000	Euro	1,000	(3)	2,000	(3)	2,994
Ubi loan 04/01025637	0.73% p.a.	22-May-17	3,000	Euro	605	0	152	0	756
Unicredit loan	0.5% p.a.	18-Oct-19	5,000	Euro	1,995	(4)	1,766	0	3,758
Intesa SP loan	0.1% p.a.	27-Jul-20	6,250	Euro	893	0	5,357	0	6,250
Intesa SP loan	0.1% p.a.	24-Jan-20	5,000	Euro	1,000	(4)	3,250	(5)	4,241
Unicredit loan	0.63% p.a.	11-Sep-21	5,000	Euro	0	0	5,000	(5)	4,995
Simest financing	0.06% p.a.	20-Jan-21	700	Euro	0	0	700	0	700
SACE financing	0.55% p.a.	29-Apr-21	480	Euro	0	0	480	0	480
Mutuo Intesa	0.75% p.a.	09-Sep-20	4,650	Euro	0	0	4,650	0	4,650
					7,662	(15)	26,089	(17)	33,719

There are no covenants on these borrowings.

Note 16 – Payables to other lenders for lease agreements

Below is reported the following breakdown:

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021
Non-current portion:		
Lease liabilities	35,105	36,288
Current portion:		
Lease liabilities	16,621	17,202
Payables to other lenders for lease	51,726	53,490

The adoption of IFRS 16 generated the recognition of a financial liability, equal to the present value of future payments still outstanding. As at 30 September 2021 the item under consideration was classified among non-current Lease liabilities for Euro 35,105 thousand and among current liabilities for Euro 16,621 thousand. The reduction compared to 31 March 2021 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:

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021
Other payables	4,598	4,599
Other non-current liabilities	4,598	4,599

“Other payables”, totalling Euro 4,598 thousand at 30 September 2021, included the value of the call option of the remaining shares of The Bridge S.p.A. for Euro 598 thousand and 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 at 31 March 2021 and remained unchanged as at 30 September 2021, since there were no circumstances that determined the need to modify the parameters used for their determination.

Note 18 – Provision for Employee Benefits

This item includes post-employment benefits measured by using the actuarial valuation method of projected unit credit made by an independent actuary based on IAS 19. The actuarial assumptions used for calculating the provision are not changed compared to the information reported in the paragraph *Accounting standards – Provision for employee benefits* in the Notes to the consolidated financial statements at 31 March 2021.

The value of the provision at 30 September 2021 amounted to Euro 3,778 thousand (Euro 3,839 thousand at 31 March 2021).

Note 19 – Provisions for risks and charges

Below are the changes in provisions for risks and charges at 30 September 2021:

<i>(in thousands of Euro)</i>	Provision at 31 March 2021	Use	Allocation	Provision at 30 September 2021
Provision for supplementary clientele indemnity	1,258	(106)	179	1,331
Other provisions for risks	1,674	(122)	20	1,572
Total	2,932	(228)	199	2,903

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 1,331 thousand at 30 September 2021, showing an increase of Euro 90 thousand compared to 31 March 2021 (Euro 1,258 thousand).

“Other Provisions for risks” amounted to Euro 1,572 thousand at 30 September 2021 and are made up as follows:

- *Provision for returns*, Euro 631 thousand (Euro 623 thousand at 31 March 2021);
- *Provision for taxes*, Euro 130 thousand (unchanged compared to 31 March 2021);
- *Provision for product warranty and repair*, Euro 10 thousand (unchanged compared to 31 March 2021);
- *Provision for Legal Disputes/Employees*, Euro 801 thousand (Euro 911 thousand at 31 March 2021): the provision mainly related to the amount set aside for legal risks and disputes with employees. The uses for the period related to the indemnities paid to employees and executives, the employment relationship of which was terminated during the half-year.

CURRENT LIABILITIES

Note 20 – Current borrowings

As at 30 September 2021 current borrowings were equal to Euro 7,647 thousand against Euro 9,874 thousand as at 31 March 2021. The balance related to a 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 2021 this item amounted to Euro 16,621 thousand (Euro 17,202 thousand at 31 March 2021). 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):

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021	30 September 2020
(A) Cash	44,730	57,154	51,648
(B) Cash equivalents	0	0	0
(C) Other current financial assets	31	47	0
of (D) Liquidity (A) + (B) + (C)	44,761	57,201	51,648
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(16,773)	(17,319)	(14,054)
(F) Current portion of non-current financial debt	(7,647)	(9,965)	(15,083)
(G) Current financial debt (E) + (F)	(24,420)	(27,284)	(29,137)
(H) Net current financial debt (G) - (D)	20,341	29,917	22,511
(I) Non-current financial debt (excluding the current portion and debt instruments)	(61,177)	(66,493)	(64,884)
(J) Debt instruments	0	0	0
(K) Trade payables and other non-current payables	(4,599)	(4,605)	(4,003)
(L) Non-current financial debt (I) + (J) + (K)	(65,776)	(71,098)	(68,887)
(M) Total Financial Debt (H) + (L)	(45,435)	(41,181)	(46,376)

The Piquadro Group's Net Financial Position posted a negative value of Euro 45.4 million in the half-year ended 30 September 2021.

The impact of the adoption of the accounting standard IFRS 16 was negative for about Euro 51.7 million.

The Piquadro Group's adjusted Net Financial Position, which was positive and equal to about Euro 6.3 million, against a positive adjusted net financial position of Euro 4.9 million recorded at 30 September 2020. 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 1.4 million, the purchase of treasury shares for about Euro 2.1 million and free cash inflows of about Euro 5.0 million.

Note 22 – Derivative liabilities

As at 30 September 2021 derivative liabilities, equal to Euro 82 thousand (Euro 118 thousand at 31 March 2021), related to the measurement of the derivative Interest Rate Swap (IRS) contracts linked to the Unicredit loan for an initial amount of Euro 5,000 thousand and the Intesa Sanpaolo loans for an initial amount of Euro 5,000 thousand and Euro 6,250 thousand, respectively, for the Parent Company and the Intesa Sanpaolo loan for subsidiary The Bridge S.p.A., for an initial amount of Euro 4,650 thousand, for interest risk hedge.

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 23 - Trade payables

Below is the breakdown of current trade liabilities:

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021
Payables to suppliers	36,894	33,704

As at 30 September 2021 payables to suppliers amounted to Euro 36,894 thousand, showing an increase compared to 31 March 2021 (Euro 33,704 thousand). This normal increase was linked to the recovery in turnover and consequently in purchases, compared to the recent past, strongly impacted by the pandemic, which had led in the 2020/2021 financial year to a significant reduction in sales, as already mentioned above.

Note 24 – Other current liabilities

<i>(in thousands of Euro)</i>	30 September 2021	31 March 2021
Payables to social security institutions	3,389	3,212
Payables to pension funds	357	339
Other payables	798	762
Payables to employees	4,737	3,632
Advances from customers	90	87
Accrued expenses and deferred income	637	405
Other current liabilities	10,008	8,376

“Other current liabilities”, totalling Euro 10,008 thousand, showed an increase of Euro 1,632 thousand compared to 31 March 2021.

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 at 30 September 2021, equal to Euro 4,737 thousand (Euro 3,632 thousand at 31 March 2021), which mainly included the Group’s payables for remuneration to be paid and deferred charges with respect to employees. The increase for the period was linked to the termination of the redundancy and wage supplement schemes for the Italian Group companies as from June 2021 (while they are still partially in place for the French company) and to the allocation of higher deferred costs to employees due to the better performance.

Note 25 – Tax payables

Tax payables mainly related to IRPEF (Personal Income) tax payables for Euro 405 thousand and payables to the Tax Office, mainly for foreign companies, for consumption tax for Euro 1,361 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 <i>(in thousands of Euro)</i>	Net revenues at 30 September 2021	%	Net revenues at 30 September 2020	%	% Change 2021/2020
PIQUADRO	28,230	44.3%	22,372	46.1%	26.2%
THE BRIDGE	11,127	17.5%	8,314	17.1%	33.8%
LANCEL	24,333	38.2%	17,868	36.8%	36.2%
Total	63,690	100.0%	48,554	100.0%	31.2%

With reference to the Piquadro brand, revenues recorded in the first six months of the 2021/2022 financial year, ended 30 September 2021, amounted to Euro 28.2 million, up by 26.2% compared to the same period ended 30 September 2020. All sales channels showed an increase compared to the same period ended 30 September 2020; wholesale recorded an increase of 19.8%, while DOSs showed a growth of 44.5% and e-commerce showed an increase of 9.4%.

With reference to The Bridge brand, revenues recorded in the first six months of the 2021/2022 financial year, ended 30 September 2021, amounted to Euro 11.1 million, up by 33.8% compared to the same period ended 30 September 2020. All sales channels showed an increase compared to the same period ended 30 September 2020; wholesale recorded an increase of 31.8%, while DOSs showed a growth of 49.3% and e-commerce showed an increase of 13.3%.

Revenues from sales achieved by Maison Lancel in the first six months of the 2021/2022 financial year, ended 30 September 2021, amounted to Euro 24.3 million, up by 36.2% compared to the same period ended 30 September 2020. As regards Maison Lancel too, all sales channels showed an increase compared to the same period ended 30 September 2020; wholesale recorded an increase of 64.3%, while DOSs showed a growth of 23.9% and e-commerce showed an increase of 79.7%.

Breakdown of revenues by geographical area

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

Geographical area <i>(in thousands of Euro)</i>	Net revenues at 30 September 2021	%	Net revenues at 30 September 2020	%	% Change 2021/2020
Italy	30,124	47.3%	24,383	50.2%	23.5%
Europe	31,247	49.1%	22,421	46.2%	39.4%
Rest of the world	2,319	3.6%	1,750	3.6%	32.5%
Total	63,690	100.0%	48,554	100.0%	31.2%

From a geographical point of view the Piquadro Group's revenues on the Italian market amounted to Euro 30.1 million, equal to 47.3% of consolidated sales (50.2% of consolidated sales at 30 September 2020), up by 23.5% compared to the same period in the 2020/2021 financial year.

In the European market, the Group recorded revenues of Euro 31.2 million, equal to 49.1% of consolidated sales (46.2% of consolidated sales at 30 September 2020), up by 39.4% compared to the same period in the 2020/2021 financial year.

This increase arose from higher sales recorded by the three Brands, in particular in countries such as Russia and Germany.

In the non-European geographical area (named “Rest of the World”), the Piquadro Group recorded revenues of Euro 2.3 million, equal to 3.6% of consolidated sales (3.6% of consolidated sales at 30 September 2020), with an increase of 32.5% compared to the same period in the 2020/2021 financial year. This growth was due in particular to the performance recorded by the Lancel Brand in Asia, where China is the most important market.

Note 27 – Other income

In the half-year ended 30 September 2021, other income amounted to Euro 1,379 thousand (Euro 248 thousand in the half-year ended 30 September 2020) and was broken down as follows:

<i>(in thousands of Euro)</i>	30 September 2021	30 September 2020
Charge-backs of transport and collection expenses	45	98
Insurance and legal refunds	819	0
Other sundry income	516	150
Other Income	1,379	248

In the half-year ended 30 September 2021, other income came to Euro 1,379 thousand (Euro 248 thousand in September 2020); as regards the Piquadro brand, we must note the proceeds relating to the insurance refund that resulted from a prudent estimate made by the expert appointed by the Company concerning the damage caused by the fire that broke out on 17 August, which partially damaged a system of the warehouse and the products stored therein. However, warehouse operations were resumed promptly and, at present, no complications have yet occurred. As regards The Bridge Brand, we must note an amount of Euro 320 thousand which consists of the non-refundable portion of the loan received from Sace Simest (Cassa Depositi e Prestiti Group) for a total amount of Euro 800 thousand (of which an amount of Euro 480 thousand as financing, as mentioned above).

Note 28 – Change in inventories

The change in inventories was positive in the half-year ended 30 September 2021 (Euro 3,095 thousand) compared to the half-year ended 30 September 2020 (positive for an amount of Euro 3,580 thousand), with a net difference of Euro 485 thousand between the two periods.

Note 29 – Costs for purchases

In the half-year ended 30 September 2021, costs for purchases were equal to Euro 13,321 thousand (Euro 11,311 thousand in the half-year ended 30 September 2020). The increase was linked to a recovery in production resulting from higher sales due to the effects of the COVID-19 pandemic during the same period of the previous year.

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:

<i>(in thousands of Euro)</i>	30 September 2021	30 September 2020
Third-party manufacturing	8,769	8,884
Advertising and marketing	5,582	4,564
Transport services	3,677	2,654
Business services	2,136	1,559
Administrative services	1,684	1,077
General services	2,458	1,721
Services for production	1,663	1,394
Total Costs for services	25,969	21,853

Costs for leases and rentals	2,205	1,086
Costs for services and leases and rentals	28,174	22,939

The increase was due to a recovery in production resulting from higher sales due to the effects of the COVID-19 pandemic in the same period of the previous year.

Costs for leases and rentals, equal to Euro 2,205 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 as a result of lifting the restrictions that had been imposed following the outbreak of the COVID-19 pandemic.

Note 31 – Personnel costs

Below is reported the breakdown of personnel costs:

<i>(in thousands of Euro)</i>	30 September 2021	30 September 2020
Wages and salaries	13,041	9,474
Social security contributions	3,281	2,448
Employee Severance Pay	1,081	736
Personnel costs	17,403	12,658

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

Category	30 September 2021	30 September 2019	31 March 2021
Executives	9	11	9
Office workers	761	721	710
Manual workers	277	265	237
Total	1,047	997	956

In the half-year ended 30 September 2021, personnel costs reported an increase of 37.5%, from Euro 12,658 thousand in the half-year ended 30 September 2020 to Euro 17,403 thousand in the half-year ended 30 September 2021. The Group terminated the redundancy and wage supplement schemes for the Italian Group companies as from June 2021, while they are still partially in place for the French company.

To supplement the information provided, below is also reported the average number of employees for the half-years ended 30 September 2021 and 30 September 2020 and for the financial year ended 31 March 2021:

<i>Average unit</i>	30 September 2021	31 March 2021	30 September 2020
Executives	9	10	10
Office workers	747	738	746
Manual workers	272	268	293
Total for the Group	1,028	1,016	1,049

Note 32 – Amortisation, depreciation and write-downs

In the half-year ended 30 September 2021, amortisation, depreciation and write-downs were equal to Euro 8,455 thousand (Euro 8,290 thousand in the half-year ended 30 September 2020).

As reported above, it should be noted that the amortisation or depreciation rate of Euro 6,159 thousand relates to the adoption of the accounting standard IFRS 16. The Piquadro Group's amortisation and depreciation amounted to Euro 1,871 thousand in the half-year ended 30 September 2021 (compared to Euro 1,430 thousand in the half-year ended 30 September 2020), net of the impact of the accounting standard IFRS 16.

The accrual to the provision for bad debts, equal to Euro 385 thousand at 30 September 2021 (Euro 372 thousand in 2020) was in line compared to the period ended in the corresponding six-month period of the previous financial year.

The write-downs of commercial equipment, equal to Euro 40 thousand in September 2021 (Euro 267 thousand at 30 September 2020) related to the closure of some stores for the Piquadro and Maison Lancel brand both in Italy and abroad.

Note 33 – Other operating costs

Other operating costs in the financial year ended 30 September 2021 came to Euro 403 thousand (Euro 306 thousand at 30 September 2020) attributable to the current operations of the Group.

Note 34 - Financial income

In the half-year ended 30 September 2021, financial income was equal to Euro 445 thousand compared to Euro 539 thousand in the half-year ended 30 September 2020. The amount was mainly made up of foreign exchange gains recorded during the period.

Note 35 - Financial costs

Below is the breakdown of financial costs:

<i>(in thousands of Euro)</i>	30 September 2021	30 September 2020
Interest payable on current accounts	55	29
Financial costs on loans	122	88
Other charges	17	10
Net financial costs on defined-benefit plans	6	4
Charges on assets and rights of use	515	445
Foreign exchange losses (both realised and estimated)	613	801
Financial costs	1,328	1,377

There was a decrease of Euro 613 thousand in foreign exchange losses compared to Euro 801 thousand at 30 September 2020.

Note 36 – Income taxes

Below is reported the breakdown of income taxes:

<i>(in thousands of Euro)</i>	30 September 2021	30 September 2020
IRES tax and other income taxes	78	171
IRAP tax	261	44
Deferred tax liabilities	4	(105)
Deferred tax assets	647	72
Total Taxes	990	182

Note 37 – Earnings (loss) per share

As at 30 September 2021, basic loss per share amounted to Euro (0.029) and was calculated on the basis of the consolidated Result for the period attributable to the Group, equal to Euro (1,465) thousand, divided by the weighted average number of ordinary shares outstanding in the half-year, equal to 50,000,000 shares.

<i>(in thousands of Euro)</i>	30 September 2021	30 September 2020
Group profit (loss) (in thousands of Euro)	(1,465)	(4,102)
Average number of outstanding ordinary shares	50,000	50,000
Basic earnings (loss) per share (in Euro)	(0.029)	(0.083)

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 top 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 2021 and 30 September 2020. The segment economic performance is monitored by the Company's Management up to the "Segment result before amortisation and depreciation".

<i>(in thousands of Euro)</i>	30 September 2021					30 September 2020				
	Piquadro	The Bridge	Lancel	Total for the Group	Inc. % (*)	Piquadro	The Bridge	Lancel	Total for the Group	Inc. % (*)
Revenues from sales	28,230	11,127	24,333	63,690	100%	22,372	8,314	17,868	48,554	100%
Segment result before amortisation and depreciation	4,695	2,052	1,732	8,479	13.3%	3,617	845	333	4,796	9.9%
Amortisation and depreciation				(8,070)	(12.7%)				(7,918)	(16.3%)
Operating result				408	0.6%				(3,122)	(6.4%)
Financial income and costs				(884)	(1.4%)				(838)	(1.7%)
Profit (loss) before tax				(475)	(0.7%)				(3,960)	(8.2%)
Income taxes				(990)	(1.6%)				(182)	(0.4%)
Group net profit for the half-year				(1,465)	(2.3%)				(4,142)	(8.5%)

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 on the basis of which Piquadro S.p.A. and its Subsidiaries operate to complete transactions with related parties of Piquadro S.p.A. itself.

On 15 June 2021 the Board of Directors of Piquadro S.p.A. adopted the new procedure governing related-party transactions, which was also set out by considering the instructions given by CONSOB for the application of the new rules by resolution no. 2164 of 10 December 2020.

The Directors report that, in addition to Piquadro 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.

Piquadro 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 2021/2022 financial year, no transactions were effected with Palmieri Family Foundation which is a non-profit foundation, whose founder is Marco Palmieri and which has the purpose of promoting activities aimed at the study, research, training, innovation in the field for the creation of jobs and employment opportunities for needy persons.

Below is reported the breakdown of the main financial relations maintained with related companies:

<i>(in thousands of Euro)</i>	Receivables		Payables	
	30 September	31 March	30 September	31 March
	2021	2021	2021	2021
Financial relations with Piqubo S.p.A.	0	0	22	21
Financial relations with Piquadro Holding S.p.A.	0	0	25	25
Financial relations with Palmieri Family Foundation	0	0	0	0
Total Receivables from and Payables to controlling and affiliate companies	0	0	47	46

The table below reports the breakdown of the economic relations with these related companies in the first half of the 2020/2021 and 2021/2022 financial years:

<i>(in thousands of Euro)</i>	Costs		Revenues	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
Economic relations with Piqubo S.p.A.	132	36	0	0
Economic relations with Piquadro Holding S.p.A.	151	118	0	0
Economic relations with Palmieri Family Foundation	0	0	0	0
Total costs and revenues to controlling and affiliate companies	283	154	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 2021/2022 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 2021, 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	01/04/21-30/09/21	2022	250	4	34	288
Pierpaolo Palmieri	Vice-Chairman– Executive Director	01/04/21-30/09/21	2022	125	2	3	130
Marcello Piccioli	Executive Director	01/04/21-30/09/21	2022	63	2	3	68
Roberto Trotta	Executive Director	01/04/21-30/09/21	2022	1)	2	113	115
Paola Bonomo	Independent Director	01/04/21-30/09/21	2022	9	0	1	10
Catia Cesari	Independent Director	01/04/21-30/09/21	2022	9	0	1	10
Barbara Falcomer	Independent Director	01/04/21-30/09/21	2022	9	0	1	10
				465	10	156	631

1) He waived his fees for the period from 1 April 2021 to 30 September 2021.

Events after the reporting date

No significant events must be reported from 1 October 2021 to the date of preparation of this Report.

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

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

- adequacy in relation to the characteristics of the Company and
- actual application of administrative and accounting procedures for the preparation of the consolidated financial statements in the course of the half-year April 2021-September 2021.

The evaluation of the adequacy of administrative and accounting procedures for the preparation of the consolidated condensed interim financial statements at 30 September 2021 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 consolidated condensed interim financial statements at 30 September 2021:

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

The interim 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 consolidated condensed interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The interim report on operations also includes a reliable analysis of the information on significant transactions with related parties.

Silla di Gaggio Montano (BO), 26 November 2021

Marco Palmieri
Chief Executive Officer

Marco Palmieri

Roberto Trotta
Financial Reporting Manager

Roberto Trotta

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, 2021 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, 2021 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, 2021

This report has been translated into the English language solely for the convenience of international readers.