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

Half-Yearly Financial Report of the Immsi Group at 30 June 2024

This Half-Yearly Financial Report at 30 June 2024 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.

Contents:

This document was approved by the Board of Directors of Immsi S.p.A. on 5 September 2024 and is available for the public to consult at the Registered Office of the Company, in the centralised storage system www.emarketstorage.com and on the Issuer's website www.immsi.it (section: "Investors/Financial statements and reports/2024") in accordance with law.

COMPANY BOARDS

The Board of Directors and the Audit Committee of Immsi S.p.A. in office at the date of presentation of this report will remain in office until the date the Shareholders' Meeting is convened to approve the financial statements for the year ending 31 December 2026.

BOARD OF DIRECTORS

Matteo Colaninno	***Chairman***
Daniele Discepolo	***Deputy Chairman***
Michele Colaninno	***Chief Executive Officer***
Giovanni Barbara	***Director***
Fabrizio Quarta	***Director***
Gianpiero Succi	***Director***
Ruggero Magnoni	***Director***
Giulia Molteni	***Director***
Anna Lucia Muserra	***Director***
Rosanna Ricci	***Director***
Alessandra Simonotto	***Director***
Patrizia De Pasquale	***Director***

AUDIT COMMITTEE

Giovanni Barbara	***Chairman***
Anna Lucia Muserra	
Daniele Discepolo	

INDEPENDENT AUDITORS

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

GENERAL MANAGER

Michele Colaninno

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

RISK AND SUSTAINABILITY COMMITTEE

Daniele Discepolo	***Chairman***
Anna Lucia Muserra	
Giovanni Barbara	

RELATED-PARTY COMMITTEE

Rosanna Ricci	***Chairman***
Daniele Discepolo	
Patrizia De Pasquale	

APPOINTMENT PROPOSAL AND REMUNERATION COMMITTEE

Daniele Discepolo	***Chairman***
Giovanni Barbara	
Rosanna Ricci	

COMPLIANCE COMMITTEE

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

WHISTLEBLOWING COMMITTEE

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

LEAD INDEPENDENT DIRECTOR

Daniele Discepolo

CHIEF EXECUTIVE OFFICER

Michele Colaninno

INTERNAL AUDIT MANAGER

Maurizio Strozzi

MANAGER IN CHARGE OF PREPARING THE COMPANY ACCOUNTS

Stefano Tenucci

INVESTOR RELATOR

Stefano Tenucci

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

The Shareholders' Meeting of Immsi S.p.A. held on 29 April 2024 approved:

- the proposals for amendments to the Articles of Association relating to the adoption of the so-called one-tier administration and control model, which will have a Board of Directors responsible for the management function, and an Audit Committee, set up within the Board itself, with control functions;
- further amendments to the Articles of Association, also in line with the most recent practices and guidelines, for which reference should be made to the relevant explanatory report (see the Issuer's website www.immsi.it, Governance section).

The adoption of the one-tier system is instrumental in further improving the profitable and timely synergy between the management and control functions, to the benefit of the Company and all its stakeholders, and confirms, once again, Immsi's constant focus on complying with international best practices in terms of governance, as this model is the most widely used by issuers listed on European and international stock markets.

Half-Yearly Financial Report of the Immsi Group

The Half-Yearly Financial Report for the six months to 30 June 2024 was prepared in accordance with article 154-ter of Legislative Decree 58/1998 as amended, and the Consob Regulation on Issuers.

This Report was prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union, and according to IAS 34 – Interim Financial Reporting, applying the same accounting standards as those adopted when preparing the Consolidated Financial Statements as at 31 December 2023 of the Immsi Group – the "Group" – (to which reference is made for further details), excluding the indications in the Accounting standards and measurement criteria section, if applicable. The information in this Report is not therefore similar to the information of complete financial statements prepared in accordance with IAS 1.

The Group also considered IASB amendments and interpretations applicable as from 1 January 2024 (for more details, reference is made to the Notes to this document), and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

Information on operations

The Immsi Group closed the first half of 2024 consolidating very positive margin levels, although the slowdown in some markets (particularly Asia and America) led to a drop in revenues. Net sales amounted to €1,013.8 million, down 14.3% compared to the same period of 2023, EBIT at 30 June 2024 was down 12.4%, but as a percentage of turnover amounted to 9.4%, an improvement of 0.2% compared to the same period of the previous year (9.2% at 30 June 2024); Net profit, including the share of non-controlling interests, amounted to €32.2 million in the first six months of 2024, compared to a profit of €47.1 million at 30 June 2023.
Net financial debt at 30 June 2024 amounted to €817.8 million, a decrease of approximately €9.6 million compared to 31 December 2023 (€827.4 million).

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

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

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

Immsi Group as at 30 June 2024

In thousands of Euros	Property and holding sector	as a %	Industrial sector	as a %	Marine sector	as a %	Immsi Group	as a %
Net revenues	1,115		990,298		22,356		1,013,769	
Operating income before depreciation and amortisation (EBITDA)	-3,985	n/m	173,772	17.5%	-3,617	-16.2%	166,170	16.4%
Operating income (EBIT)	-4,818	n/m	104,094	10.5%	-4,173	-18.7%	95,103	9.4%
Profit before tax	-15,618	n/m	77,776	7.9%	-6,949	-31.1%	55,209	5.4%
Profit (loss) for the period including minority interests	-14,582	n/m	52,110	5.3%	-5,339	-23.9%	32,189	3.2%
Group earnings for the period (which may be consolidated)	-11,025	n/m	26,382	2.7%	-3,871	-17.3%	11,486	1.1%
Net debt	-324,286		-407,964		-85,519		-817,769	
Personnel (number)	99		6,206		215		6,520	

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

Immsi Group as at 30 June 2023

In thousands of Euros	Property and holding sector	as a %	Industrial sector	as a %	Marine sector	as a %	Immsi Group	as a %
Net revenues (*)	1,548		1,167,176		13,843		1,182,567	
Operating income before depreciation and amortisation (EBITDA)	-3,916	n/m	191,158	16.4%	-3,831	-27.7%	183,411	15.5%
Operating income (EBIT)	-4,544	n/m	117,580	10.1%	-4,531	-32.7%	108,505	9.2%
Profit before tax	-13,103	n/m	98,163	8.4%	-6,956	-50.2%	78,104	6.6%
Profit (loss) for the period including minority interests	-12,376	n/m	64,788	5.6%	-5,339	-38.6%	47,073	4.0%
Group earnings for the period (which may be consolidated)	-9,326	n/m	32,766	2.8%	-3,871	-28.0%	19,568	1.7%
Net debt	-314,276		-384,428		-68,537		-767,241	
Personnel (number)	81		6,441		214		6,736	

(*) with reference to the industrial sector, following the contractual changes made from 2024 to the sell-out promotions for the Indian market, the costs of the aforementioned promotions, previously allocated to the provision of services, are now allocated as a deduction of revenues. Although the value is to be considered negligible, €4,872 thousand was reclassified from cost of services to lower revenue in the first half of 2023, in order to allow for a better comparability with 2024 figures.

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

Alternative non-GAAP performance indicators

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

These indicators are presented to allow a better assessment of the Group's operating performance and consist of those monitored by *management*, but should not be considered as an alternative to IFRS measures. They are identical to those contained in the Annual Report and Financial Statements as at 31 December 2023 and in the periodical quarterly reports of the Immsi Group.

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

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

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

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

The property and holding sector

In thousands of Euros	30.06.2024	as a %	30.06.2023	as a %	Change	as a %
Net revenues	1,115		1,548		-433	-28.0%
Operating income before depreciation and amortisation (EBITDA)	-3,985	n/m	-3,916	n/m	-69	-1.8%
Operating income (EBIT)	-4,818	n/m	-4,544	n/m	-274	-6.0%
Profit before tax	-15,618	n/m	-13,103	n/m	-2,515	-19.2%
Profit (loss) for the period including minority interests	-14,582	n/m	-12,376	n/m	-2,206	-17.8%
Group earnings for the period (which may be consolidated)	-11,025	n/m	-9,326	n/m	-1,699	-18.2%
Net debt	-324,286		-314,276		-10,010	-3.2%
Personnel (number)	99		81		18	22.2%

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

Overall, the **property and holding sector** reported a net loss for consolidation purposes in the first half of 2024 of approximately €11 million, which was worse than the loss recorded in the same period of the previous year and mainly related to the increase in the cost of debt.
Net debt of the sector was negative at €324.3 million, up on the figure of -€314.3 million at 30 June 2023 and -€314.8 million at 31 December 2023.

The **Parent Company Immsi S.p.A.** recorded a net profit for the period of approximately €11.8 million, compared to a profit of €15.9 million at 30 June 2023; the decrease is mainly due to lower dividends received from the subsidiary Piaggio & C. S.p.A. (-€3.6 million) and higher net financial borrowing costs incurred (+€0.6 million).
Net debt, as defined by the Company, including intergroup eliminations, at 30 June 2024 WAS €10.9 million negative, compared to €11.9 million negative at 31 December 2023, influenced by inflows of €9.5 million in March 2024, for the sale of all Unicredit shares held in the portfolio, partially offset by the payment of financial borrowing costs for the period.
The shareholders' equity of the Parent Company Immsi S.p.A. as at 30 June 2024 amounted to €362.3 million, up on the year-end figure of €356.4 million. The change was mainly due to the result for the period offset by the dividend distribution and the positive variation compared to 31 December 2023 in the fair value of Unicredit shares sold in the first half of 2024, recognised in the relevant equity reserve.

Lastly, it should be noted that in preparing this Interim Report as at 30 June 2024, the Parent Company did not carry out any specific impairment analyses on the carrying amount of investments held in fully consolidated companies as these investments and any changes arising from the related impairment tests would have been fully eliminated on consolidation.

Concerning the real estate initiatives of the subsidiary **Is Molas S.p.A.**during the second quarter of 2023 and the first half of 2024, the Company completed important works for extraordinary maintenance, energy efficiency and the renovation of its existing tourist-hotel facilities. The

renovation works impacted the remaining rooms that were not subject to works in the previous year and were completed, according to schedule, with the opening of the Hotel on 1 June 2024. The investment will make it possible to offer a product that is more effective and more attractive by the standards of the target customers identified. The company continued business activities to identify possible buyers, also international, and it decided to allow the mock-up villas to be rented out again in 2024 (as in previous years) in order to allow end customers – including any investors – to better understand the product and the associated services offered (e.g. wellness and home catering), so as to be able to assess their profitability. In this regard, it should be noted that during the first quarter of 2024, an intermediary of high standing in the Luxury sector was exclusively appointed for the sale and short rental of the villas that have been built so far. The subsidiary is continuing activities to sell the “Le Ginestre” property complex, consisting of 50 residential units and several parking spaces, with the aim of rationalising its property portfolio. As at 30 June 2024, a total of 37 units had ben sold.
Net revenues for the six months ended 30 June 2024 amounted to €1,115 thousand, a decrease of €434 thousand compared to the corresponding amount recognised in the first half of 2023. The decrease is mainly due to fewer sales of real estate units at the 'Le Ginestre' property complex in the first half of 2024 (4 units sold in the first six months of 2024 compared to 11 units sold in the corresponding period of the previous year).
In terms of margins, Is Molas S.p.A. recorded an operating loss of approximately €1.9 million and a net loss for consolidation purposes of €3.2 million, the latter result worsening compared to the corresponding period of 2023 mainly due to the increase in net financial borrowing costs.
The net debt of Is Molas S.p.A. came to €93.5 million, with a cash absorption of approximately €5.2 million, compared to 31 December 2023 (when it was equal to €88.3 million) mainly due to the cash flow absorbed by investments for hotel and tourist facility renovation works.

With reference to the subsidiary **Apuliae S.r.l.**, in liquidation, there are no further updates since the Report of Directors and Financial Statements of the Immsi Group at 31 December 2023, to which reference is made. As at 30 June 2024, the company’s income statement showed a loss of €64 thousand (in line with the figure for the same period in 2023) and net debt was virtually unchanged from the figure as at 31 December 2023 and negative by approximately €1 million.

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

- **RCN Finanziaria S.p.A**., in which Immsi S.p.A. holds 72.51% and Intermarine S.p.A. is the sole member, recorded a net loss for consolidation purposes for the Immsi Group as at 30 June 2024 of approximately €4.3 million (deteriorating by approximately €0.5 million compared to 30 June 2023 mainly due to the higher incidence of borrowing costs), and a net financial debt of €138 million as at 30 June 2024, compared to €132.7 million as at 31 December 2023.
  During March 2024, the parent company Immsi S.p.A., with the aim of recapitalising RCN Finanziaria S.p.A., waived financial receivables due from the subsidiary for a nominal value of €10.5 million, allocating them to a special reserve for the future capital increase of Immsi.
- **ISM Investimenti S.p.A**., owned by Immsi S.p.A. with a 72.64% stake and parent of Is Molas S.p.A. with a 92.59% stake, recorded a net loss for consolidation purposes for the Immsi Group of approximately €0.9 million in the first half of 2024, down by approximately €0.1 million compared to the figure as at 30 June 2023. Net financial debt as at 30 June 2024 was equal to €80.8 million, compared to €81 million as at 31 December 2023.
  During March 2024, the parent company Immsi S.p.A., with the aim of recapitalising ISM Investimenti S.p.A., waived financial receivables due from the subsidiary for a nominal value of €8.5 million, allocating them to a special reserve for the future capital increase of Immsi.

Industrial sector: Piaggio group

In thousands of Euros	*30.06.2024*	*as a %*	*30.06.2023*	*as a %*	*Change*	*as a %*
Net revenues (*)	990,298		1,167,176		-176,878	-15.2%
Operating income before depreciation and amortisation (EBITDA)	173,772	17.5%	191,158	16.4%	-17,386	-9.1%
Operating income (EBIT)	104,094	10.5%	117,580	10.1%	-13,486	-11.5%
Profit before tax	77,776	7.9%	98,163	8.4%	-20,387	-20.8%
Profit (loss) for the period including minority interests	52,110	5.3%	64,788	5.6%	-12,678	-19.6%
Group earnings for the period (which may be consolidated)	26,382	2.7%	32,766	2.8%	-6,383	-19.5%
Net debt	-407,964		-384,428		-23,536	-6.1%
Personnel (number)	6,206		6,441		-235	-3.6%

(*) with reference to the industrial sector, following the contractual changes made from 2024 to the sell-out promotions for the Indian market, the costs of the aforementioned promotions, previously allocated to the provision of services, are now allocated as a deduction of revenues. Although the value is to be considered negligible, €4,872 thousand was reclassified from cost of services to lower revenue in the first half of 2023, in order to allow for a better comparability with 2024 figures.

In terms of consolidated turnover, the Piaggio group ended the first half of 2024 with net revenues down on the same period of 2023 (-15.2%). It should be recalled that in the first half of 2023, the Piaggio group recorded its best results in terms of turnover since its listing.
The decrease affected the EMEA and Americas markets (-12.1%) and Asia Pacific (-38.9%; -36.7% at constant exchange rates) while the Indian market reported a growth trend (+3.9%; +5.2% at constant exchange rates).
As regards product type, the decline concerned Two-Wheeler vehicles to a greater extent (-17.5%) than Commercial Vehicles (-4.8%). As a result, the percentage of Commercial Vehicles accounting for overall turnover went up from 18.2% in the first half of 2023 to the current figure of 20.4%; vice versa, the percentage of Two-Wheeler vehicles fell from 81.8% in the first six months of 2023 to the current figure of 79.6%.
During the first half of 2024, the Piaggio Group sold 270,100 vehicles worldwide, recording a decrease of 16.8% compared to the first six months of the previous year, when 324,600 vehicles were sold. Only the Indian market showed a positive trend.
Regarding product type, sales of Commercial Vehicles went up (+3.1%), while sales of Two-Wheeler Vehicles declined (-21.0%).

Consolidated EBITDA decreased and amounted to €173.8 million as at 30 June 2024 (€191.2 million in the first half of 2023). In relation to turnover, EBITDA grew and was equal to 17.5% (16.4% in the first half of 2023).

Operating income (EBIT) amounted to €104.1 million as at 30 June 2024, also down on the first six months of 2023; in relation to turnover, EBIT was equal to 10.5% (10.1% in the first half of 2023).

Financing activities showed a net expense of €26.3 million (€19.4 million as at 30 June 2023). The deterioration is mainly due to the rise in interest rates on debt, mainly related to the new bond issue in October 2023, exacerbated by the negative impact of currency management.

Income taxes for the period are estimated to be €25.7 million, equivalent to 33% of profit before tax.

Net profit stood at €52.1 million (5.3% of turnover), down on the figure for the same period of the previous year which amounted to €64.8 million (5.6% of turnover).

Net financial debt as at 30 June 2024 was equal to €408 million, compared to €434 million as at 31 December 2023. The decrease of approximately €26 million is related to the positive trend in operations.
Net financial debt increased by approximately €23.6 million compared to 30 June 2023.

The market
Two-wheeler business
In the first six months of 2024, the Piaggio Group sold a total of 211,200 two-wheeler vehicles worldwide, accounting for a net turnover equal to approximately €788 million, including spare parts and accessories (€80.9 million, -3.9%).
Overall, volumes decreased by 21.0% and turnover by 17.5% compared to 30 June 2023.
Specifically, in the first half of 2024 all markets recorded negative trends, compared to the corresponding period of the previous year, with the exception of India (-3.0% volumes); +10.4% turnover; +11.8% at constant exchange rates).
Commercial Vehicles *business*
During the first six months of 2024, the Commercial vehicles business generated a turnover of approximately €202.3 million, down by 4.8% compared to the same period of the previous year.
The decline recorded by the EMEA & Americas area (-19.9%) was only partially offset by the growth in India (+2.9%); +4.1% at constant exchange rates).
EMEA markets, on the other hand, reported contrasting trends. The increases in turnover in the Americas (+39.5%) were more than cancelled out in absolute terms by the decrease in the Emea area (-24.5%).
The Indian affiliate Piaggio Vehicles Private Limited (PVPL) sold 47,762 three-wheelers on the Indian market (46,659 in the first six months of 2023). Sales of three-wheeler vehicles with electric engines decreased, from 10,504 units in the first half of 2023 to 9,393 units in the current half-year.
As at 30 June 2024, the Indian affiliate had exported 4,447 three-wheeler vehicles (3,809 in the first half of 2023).

The Marine sector: Intermarine

In thousands of Euros	*30.06.2024*	*as a %*	*30.06.2023*	*as a %*	*Change*	*as a %*
Net revenues	22,356		13,843		8,513	61.5%
Operating income before depreciation and amortisation (EBITDA)	-3,617	-16.2%	-3,831	-27.7%	214	5.6%
Operating income (EBIT)	-4,173	-18.7%	-4,531	-32.7%	358	7.9%
Profit before tax	-6,949	-31.1%	-6,956	-50.2%	7	0.1%
Profit (loss) for the period including minority interests	-5,339	-23.9%	-5,339	-38.6%	0	0.0%
Group earnings for the period (which may be consolidated)	-3,871	-17.3%	-3,871	-28.0%	0	0.0%
Net debt	-85,519		-68,537		-16,982	-24.8%
Personnel (number)	215		214		1	0.5%

With reference to the economic data of the marine sector, the first half of 2023 saw an increase in net revenues (composed of turnover and changes in contract work in progress) compared with the same period of the previous year; this figure stood at €22.4 million, compared to €13.8 million in the first half of 2023.
Production progress, including completion of construction and deliveries, included:

- the Defence division, with €15.3 million (€6.6 million in the first half of 2023), mainly attributable to progress with the job order for the modernisation of Gaeta Class minesweepers for the Italian Navy, as well as the development of studies and experimental tests on new-generation minesweepers for the same Navy, and activities for repairs/refitting/modernisation of the Navy’s Termoli-class minesweepers;
- The Fast Ferries and Yacht divisions, with a total of €7.1 million (€7.2 million in the first half of 2023), for the construction of a first passenger vessel and start of a second unit for a leading shipowner on the Italian market, as well as the design work for a job order with the Fire Brigade.

This resulted in a negative EBIT in the first half of 2024 of €4.2 million (an improvement of approximately €0.3 million in the corresponding period of 2023), and a pre-tax loss of €7 million, and a net loss for consolidation purposes for the Immsi Group equal to €3.9 million negative, aligned with the figure recorded in the first half of 2023.
In the first half of 2024, the direct parent company RCN Finanziaria S.p.A., with the aim of recapitalising Intermarine S.p.A., waived financial receivables due from the subsidiary for a nominal value of €6.7 million, allocating them to a special reserve for the future capital increase of RCN.

The total value of the orders portfolio of the company amounted to €74 million as at 30 June 2024, referring to the remaining part of existing contracts still to be developed in terms of revenues. This value does not include the contract signed on 26 July 2024 by Intermarine S.p.A. and Leonardo S.p.A., as a temporary joint venture, with NAVARM for the supply of five New-Generation Coastal Minesweepers and related logistic support worth approximately €1.6 billion, of which Intermarine S.p.A.'s share is approximately €1.2 billion. For further details in this regard, please refer to the section below 'Subsequent events and operating outlook'.

As for capital, net financial debt, equal to €85.5 million as at 30 June 2024, was up compared to the balance as at 31 December 2023 and as at 30 June 2023, equal to €78.6 and €68.5 million respectively, mainly due to investments (€10.2 million in the first half of 2024) to expand the production site at Sarzana.

Financial situation and financial performance

As described above, in the first six months of 2024, the Immsi Group’s economic ratios decreased compared to the corresponding period of the previous year.

For the purposes of consolidation, the financial statements as at 30 June 2024 of companies included in the scope of consolidation, appropriately modified and reclassified, where necessary, to bring them in line with international accounting standards and uniform classification criteria used by the Group, were used. The scope of consolidation includes the companies in which the Parent Company, directly or indirectly, owns more than half of the voting rights exercisable in Shareholders’ Meetings, or has the power to control or direct voting rights by means of contractual or by-law clauses, or can appoint the majority of the members of the Boards of Directors. Excluded from the line-by-line consolidation are non-operating subsidiaries or those with low operating levels as their influence on the final result of the Group is insignificant.

As at 30 June 2024, the scope of consolidation was unchanged compared to 31 December 2023, while compared to 30 June 2023:

- the portion of the Piaggio group's consolidated shareholders' equity as at 30 June 2024 was 50.63%, up from 50.57% as at 30 June 2023. The change is the result of the cancellation of 3,521,595 treasury shares held by the company (keeping the share capital unchanged) and the purchase by the subsidiary Piaggio & C. S.p.A. of 426,161 treasury shares; events that occurred during the 2023 financial year;
- With the Shareholders' Meeting's approval of the financial statements for liquidation purposes, the liquidation of the direct subsidiary Pietra S.r.l. (77.78% owned by Immsi S.p.A. and 22.22% owned by Intesa Sanpaolo S.p.A.) was finalised on 27 July 2023.

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

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

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

Financial performance of the Group

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

In thousands of Euros	*30.06.2024*		*30.06.2023*		*Change*	
Net revenues (*)	**1,013,769**	**100%**	**1,182,567**	**100%**	**-168,798**	**-14.3%**
Costs for materials	622,064	61.4%	752,242	63.6%	-130,178	-17.3%
Costs for services, leases and rentals (*)	151,191	14.9%	160,640	13.6%	-9,449	-5.9%
Employee costs	149,870	14.8%	150,210	12.7%	-340	-0.2%
Other operating income	90,711	8.9%	84,502	7.1%	6,209	7.3%
Net reversals (write-downs) of trade and other receivables	-1,338	-0.1%	-2,262	-0.2%	924	40.8%
Other operating costs	13,847	1.4%	18,304	1.5%	-4,457	-24.3%
OPERATING EARNINGS BEFORE AMORTISATION AND DEPRECIATION (EBITDA)	**166,170**	**16.4%**	**183,411**	**15.5%**	**-17,241**	**-9.4%**
Depreciation and impairment costs of plant, property and equipment	33,207	3.3%	33,933	2.9%	-726	-2.1%
Impairment of goodwill	0	-	0	-	0	-
Amortisation and impairment costs of intangible assets with a finite life	37,860	3.7%	40,973	3.5%	-3,113	-7.6%
OPERATING INCOME (EBIT)	**95,103**	**9.4%**	**108,505**	**9.2%**	**-13,402**	**-12.4%**
Income/(loss) from investments	-667	-0.1%	139	0.0%	-806	-
Financial income	7,452	0.7%	16,097	1.4%	-8,645	-53.7%
Borrowing costs	46,679	4.6%	46,637	3.9%	42	0.1%
PROFIT BEFORE TAX	**55,209**	**5.4%**	**78,104**	**6.6%**	**-22,895**	**-29.3%**
Taxes	23,020	2.3%	31,031	2.6%	-8,011	-25.8%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**32,189**	**3.2%**	**47,073**	**4.0%**	**-14,884**	**-31.6%**
Profits or losses arising from assets held for sale or termination	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	**32,189**	**3.2%**	**47,073**	**4.0%**	**-14,884**	**-31.6%**
Earnings for the period attributable to non-controlling interests	20,703	2.0%	27,505	2.3%	-6,802	-24.7%
GROUP PROFIT (LOSS) FOR THE PERIOD	**11,486**	**1.1%**	**19,568**	**1.7%**	**-8,082**	**-41.3%**

(*) with reference to the industrial sector, following the contractual changes made from 2024 to the sell-out promotions for the Indian market, the costs of the aforementioned promotions, previously allocated to the provision of services, are now allocated as a deduction of revenues. Although the value is to be considered negligible, €4,872 thousand was reclassified from cost of services to lower revenue in the first half of 2023, in order to allow for a better comparability with 2024 figures.

The Immsi Group's consolidated net revenues as at 30 June 2024 decreased by approximately €168.8 million (-14.3%) to around €1,013.8 million, mainly due to the contribution of the industrial sector (approximately €990.3 million) and the marine sector (approximately €22.4 million). Net revenues from the property and holding sector, were equal to around €1.1 million.

Operating costs and other consolidated Group net costs in the first half of 2024 totalled €847.6 million (equal to 83.6% of net revenues), of which €816.5 million relating to the Piaggio group (82.5% of the Piaggio group's net revenues).
Costs for materials totalled €622.1 million, equal to 61.4% of net revenues. The cost relating to the industrial sector amounted to €611 million, equal to 61.7% of net revenues of the sector.
Employee costs totalled €149.9 million, equal to 14.8% of net revenues. The largest part, €141.1 million (14.2% of net revenues of the sector), is attributable to the Piaggio group. The average paid workforce amounted to 6,539 employees compared to 6,693 in the first half of 2023, mainly attributable to the industrial sector. Average employee numbers were affected by seasonal workers in the summer (on fixed-term employment contracts). The Group effectively hires temporary staff to cover peaks in demand typical of the summer months.

EBITDA in the first half of 2024 came to approximately €166.2 million, equal to 16.4% of net

revenues, down by approximately €17.2 million compared to €183.4 million in the first half of 2023 (15.5% of net revenues for the period).
Depreciation and amortisation for the period stood at €71.1 million (of which €69.7 million relative to the industrial sector), representing 7% of turnover, down on the figure of approximately €3.8 million compared to the first half of 2023. Depreciation of property, plant and equipment amounted to €33.2 million (-€0.7 million compared to the figure for the first half of 2023), while amortisation of intangibles, excluding value adjustments on goodwill, totalled €37.9 million (€41 million in the first half of 2023).

EBIT amounted to €95.1 million (-€13.4 million compared to the first half of 2023), equal to 9.4% of net revenues, improving slightly on the figure of 9.2% for the same period of the previous year.
EBIT did not include any impairment of goodwill in the first six months of 2024, nor in the same period of the previous year. In particular, as described in the Notes to the Consolidated Financial Statements as at 30 June 2024 (section F1 "Intangible Assets"), with reference to the goodwill of the CGU relative to the Piaggio group, the Directors, while still considering the plan approved by the Piaggio group on 23 February 2024 to be valid, based on the performance in the first half of 2024, prepared an updated stress test on the recoverability of Goodwill. The sensitivity analyses were prepared by applying the deviations observed in the first half of the year to the plan flows (July 2024 - December 2027) on a constant basis, while keeping the WACC discount rate and the growth rate 'g' used at 31 December 2023 unchanged, as they were still consistent with the information currently observable on the market. These analyses did not reveal any impairment losses, also considering the extent of the existing cover as at 31 December 2023.
Also with reference to the goodwill of the Intermarine CGU, the Immsi Group's management, considering the 2024-2028 forecast data approved by the subsidiary's Board of Directors on 13 March 2024 as still valid, and in light of the contract signed on 26 July 2024 by Intermarine S.p.A. and Leonardo S.p.A, as a temporary joint venture, with NAVARM for the supply of five New-Generation Coastal Minesweepers and related logistic support worth approximately €1.6 billion, of which Intermarine S.p.A.'s share is approximately €1.2 billion (values reflected in the forecast data approved as at 13 March 2024), also considering the extent of the existing cover as at 31 December 2023, did not identify any goodwill impairment indicators as at 30 June 2024; However, the analyses performed showed that the total discounted future cash flows of only the signed contracts currently in the portfolio are sufficient to guarantee the recoverability of the Net Capital Employed and the Goodwill of the Intermarine CGU as at 30 June 2024; Therefore, there was no need to update the impairment test conducted for the purposes of the consolidated financial statements as at 31 December 2023, thus confirming the relevant results.
Considering that the abovementioned analyses conducted by the Immsi Group cash-generating unit were also determined based on estimates, the Group cannot guarantee that there will be no goodwill impairment losses in future periods. Owing to the current climate of uncertainty on core and financial markets, the various factors – both inside and outside the cash-generating units identified – used in preparing the above estimates could be revised in the future. The Group will constantly monitor these factors and the possible existence of future impairment losses.

Net financial expense amounted to a negative €39.9 million, equal to 3.9% of the Group's net revenues (compared to a net expense of €30.4 million in the first half of 2023), and consists of negative balances of €26.3 million relating to the industrial sector (compared to -€19.4 million in the first half of 2023), €2.8 million relating to the marine sector (compared to €2.4 million in the first half of 2023) and €10.8 million relating to the property and holding sector (up on €8.6 million in the first half of 2023). The deterioration is mainly due to the rise in interest rates on debt, mainly related to the new Piaggio bond issue in October 2023, exacerbated by the negative impact of currency management.

Profit before tax stood at €55.2 million as at 30 June 2024, or 5.4% of net revenues, compared to

€78.1 million (6.6% of net revenues) as at 30 June 2023, with the industrial sector contributing a profit of €77.8 million, the marine sector a loss of €6.9 million and the property and holding sector a loss of €15.6 million.

Taxes for the period totalled approximately €23 million, compared to €31 million as at 30 June 2023.

Net profit for the period, after taxation and net of non-controlling interests, totalled €11.5 million (1.1% of net revenues), down on the figure of €19.6 million as at 30 June 2023.

Reclassified statement of financial position of the Group

In thousands of Euros	*30.06.2024*	*as a %*	*31.12.2023*	*as a %*	*30.06.2023*	*as a %*
Current assets:						
Cash and cash equivalents	327,059	12.9%	196,096	8.6%	267,484	11.0%
Financial assets	0	0.0%	6,205	0.3%	0	0.0%
Operating activities	711,519	28.1%	595,197	26.2%	734,770	30.2%
Total current assets	**1,038,578**	**41.0%**	**797,498**	**35.1%**	**1,002,254**	**41.2%**
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	936,601	37.0%	922,155	40.5%	900,847	37.0%
Property, plant and equipment	391,587	15.5%	376,055	16.5%	365,115	15.0%
Other assets	167,588	6.6%	179,428	7.9%	166,809	6.9%
Total non-current assets	**1,495,776**	**59.0%**	**1,477,638**	**64.9%**	**1,432,771**	**58.8%**
TOTAL ASSETS	**2,534,354**	**100.0%**	**2,275,136**	**100.0%**	**2,435,025**	**100.0%**
Current liabilities:						
Financial liabilities	464,396	18.3%	439,543	-19.3%	458,543	18.8%
Operating liabilities	911,075	35.9%	782,706	34.4%	909,884	37.4%
Total current liabilities	**1,375,471**	**54.3%**	**1,222,249**	**53.7%**	**1,368,427**	**56.2%**
Non-current liabilities:						
Financial liabilities	680,432	26.8%	590,121	25.9%	576,182	23.7%
Other non-current liabilities	67,348	2.7%	67,499	3.0%	71,921	3.0%
Total non-current liabilities	**747,780**	**29.5%**	**657,620**	**28.9%**	**648,103**	**26.6%**
TOTAL LIABILITIES	**2,123,251**	**83.8%**	**1,879,869**	**82.6%**	**2,016,530**	**82.8%**
TOTAL SHAREHOLDERS' EQUITY	**411,103**	**16.2%**	**395,267**	**17.4%**	**418,495**	**17.2%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,534,354**	**100.0%**	**2,275,136**	**100.0%**	**2,435,025**	**100.0%**

Current assets as at 30 June 2024 amounted to €1,038.6 million, up €241.1 million compared to 31 December 2023, and up €36.3 million compared to 30 June 2023. The increase compared to the end of 2023 is attributable to the growth in operating activities trade (+€116.3 million), mainly due to the increase in trade and other receivables and inventories, referred in particular to the Piaggio group due to the seasonal nature of the business, and to the growth in cash and cash equivalents (+€131 million).

Non-current assets as at 30 June 2024 came to €1,495.8 million against €1,477.6 million as at 31 December 2023, an increase equal to €18.1 million.
In particular, among non-current assets, intangible assets amounted to €936.6 million, up by €14.4 million compared to 31 December 2023, mainly due to the capitalisation in the industrial sector of development costs and know-how for new products and new engines. Plant, property and equipment amounted to €391.6 million (increase of €15.5 million compared to the end of 2023) and other assets amounted to €167.6 million (compared to €179.4 million at the end of 2023), mainly impacted by the reduction in the deferred taxes of Piaggio.

Current liabilities as at 30 June 2024 amounted to €1,375.5 million, an increase compared to 31

December 2023 of €153.2 million, compared to the increase mainly in operating liabilities (+€128.4 million), and financial liabilities from €439.5 million to €464.4 million.
Non-current liabilities as at 30 June 2024 came to €747.8 million, up by approximately €90.3 million from €657.6 million as at 31 December 2023. Consolidated shareholders' equity attributable to the Group and non-controlling interests totalled €411.1 million as at 30 June 2024, of which €180.1 million attributable to minority interests.

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

In thousands of Euros	*30.06.2024*	*as a %*	*31.12.2023*	*as a %*	*30.06.2023*	*as a %*
Current operating assets	711,519	54.9%	595,197	46.1%	734,770	58.4%
Current operating liabilities	-911,075	-70.3%	-782,706	-60.7%	-909,884	-72.3%
Net operating working capital	**-199,556**	**-15.4%**	**-187,509**	**-14.5%**	**-175,114**	**-13.9%**
Intangible assets	936,601	72.3%	922,155	71.5%	900,847	71.6%
Property, plant and equipment	391,587	30.2%	376,055	29.1%	365,115	29.0%
Other assets	167,588	12.9%	179,428	13.9%	166,809	13.3%
Capital employed	**1,296,220**	**100.0%**	**1,290,129**	**100.0%**	**1,257,657**	**100.0%**
Non-current non-financial liabilities	67,348	5.2%	67,499	5.2%	71,921	5.7%
Capital and reserves of non-controlling interests	180,084	13.9%	166,427	12.9%	177,349	14.1%
Consolidated Group shareholders' equity	231,019	17.8%	228,840	17.7%	241,146	19.2%
Total non-financial sources	**478,451**	**36.9%**	**462,766**	**35.9%**	**490,416**	**39.0%**
Net Financial debt	**817,769**	**63.1%**	**827,363**	**64.1%**	**767,241**	**61.0%**

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

In thousands of Euros	*30.06.2024*	*31.12.2023*	*30.06.2023*
Cash generated internally	133,049	241,287	161,244
Change in net working capital	-25,475	-102,647	-92,299
Net cash flow generated from operations	**107,577**	**138,640**	**68,945**
Payment of dividends by the Parent Company	-8,514	-18,389	-13,281
Payment of dividends to non-controlling interests by Group companies	-13,990	-39,683	-17,528
Acquisition of intangible assets	-51,400	-108,566	-45,091
Purchase of property, plant and equipment	-35,545	-67,986	-25,834
Net decrease from property disposals	607	2,866	296
Acquisition of non-controlling investments, net of disposal	9,466	13	0
Other net movements	1,393	-2,563	-3,053
Change in net financial position	**9,594**	**-95,668**	**-35,546**
Initial net financial position	**-827,363**	**-731,695**	**-731,695**
Closing net financial position	**-817,769**	**-827,363**	**-767,241**

Net financial debt as at 30 June 2024 was equal to €817.8 million, down by €9.6 million compared to €827.4 million as at 31 December 2023, mainly due to cash generated internally (+€133 million) and the sale of Unicredit shares held in the portfolio by the parent company (+€9.5 million), partially offset by the dynamics of working capital (-€25.5 million), net investments in property, plant and equipment and intangible assets for the period (-€86.9 million), mainly relating to the Piaggio group, as well as dividends paid to non-controlling interests (-€22.5 million).
Net debt – analysed below and compared with the same figures as at 31 December 2023, is presented in accordance with the ESMA guidelines 32-382-1138 of 4 March 2021, adjusted as at 30 June 2024, as follows: financial assets and liabilities arising from the assessment at fair value, designated hedging and non-hedging derivative financial instruments, the fair value adjustment of the related hedged items, equal to €0.3 million; payables and accrued interest accrued on bank borrowings for a total of €10.3 million; interest and accruals on loans to minority shareholders totalling €7.1 million.

In thousands of Euros	*30.06.2024*	*31.12.2023*	*30.06.2023*
A Cash and cash equivalents	-327,059	-196,096	-267,484
B Cash equivalents	0	0	0
C. Other financial assets	0	-6,205	0
D Total liquidity (A + B + C)	**-327,059**	**-202,301**	**-267,484**
E Current financial payables (including debt instruments, but not including current portion of non-current financial debt)			
- Bonds	0	0	0
- Payables due to banks	274,234	255,979	268,239
- Lease liabilities	9,975	10,629	8,781
- Amounts due to other lenders	69,235	55,798	66,091
F Current portion of non-current financial debt	110,952	117,137	115,432
G Total current financial debt (E + F)	**464,396**	**439,543**	**458,543**
H Net current financial debt (G + D)	**137,337**	**237,242**	**191,059**
I Non-current financial debt (excluding current portion and debt instruments			
- Payables due to banks	411,932	322,567	309,752
- Lease liabilities	22,296	21,548	19,778
- Amounts due to other lenders	71	106	141
J Debt instruments	246,133	245,900	246,511
K Trade payables and other non-current payables	0	0	0
L Non-current financial debt (I + J + K)	**680,432**	**590,121**	**576,182**
M Net financial debt (H + L)	**817,769**	**827,363**	**767,241**

With reference to the breakdown of debt, compared to 31 December 2023, short-term net financial debt decreased from a balance of €237.2 million to a balance of €137.3 million (i.e. -€99.9 million), with an increase in medium-to-long term financial debt from €590.1 million to €680.4 million (+€90.3 million). Further details are provided in the section "G2 – Financial Liabilities" of the Notes to the condensed interim financial statements.

Research, development and innovation activities

The Immsi Group carries out research, development and innovation activities through the Piaggio group which, in the first half of 2024, continued its commitment to maintaining technological leadership in the sector, and through subsidiary Intermarine S.p.A., whose research and development activities mainly concern new projects for vessels and prototypes, production technologies, plant innovations and innovative materials.
For an in-depth analysis of the projects supported by the Group and the resources allocated to them, readers are referred to the section on Products and Services in the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 of the Immsi Group as at 31 December 2023 and the section on the Product Dimension of the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 of the Piaggio group as at 31 December 2023.

Risk factors

Due to the nature of its business, the Group is exposed to different types of risks. For this reason, the Group has developed procedures at both the Parent Company level and in its main subsidiaries to manage risks, with a methodology based on Enterprise Risk Management (ERM) in the most exposed areas. These risks are identified at a strategic, external, operational and financial level, and also take into consideration sustainability issues, in particular so-called "ESG" (Environmental, Social and Governance related) risks, i.e. those related to environmental factors, personnel, social aspects and human rights and the fight against active and passive corruption. Details are provided in the 2023 Consolidated Non-Financial Statement.

Strategic risks

Reputational and Corporate Social Responsibility risk – In carrying out its operations, the Group could be exposed to stakeholders' perception of the Group and its reputation and their loyalty changing for the worse because of the disclosure of detrimental information or due to sustainability requirements in the Non-financial Statement published by Immsi S.p.A. and Piaggio & C. S.p.A., not being met, as regards economic, environmental, social and product-related aspects.
In particular, the Piaggio group has implemented tools to monitor brand perception and customer satisfaction to deal with this risk.

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

Risks related to adopting strategies – In carrying out its operations, the Group could be exposed to risks from the wrong or incomplete adoption of strategies, with a consequent negative impact on achieving the Group's strategic objectives. Periodic monitoring to verify any deviations from previously established objectives makes it possible to reduce the impact of these risks.

External risks

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

effects on global markets, especially in terms of increased transport costs, raw material prices and energy prices. The geographical diversification of the Group's sales and purchases means that it has essentially no exposure in the conflict area. The indirect impacts of the conflict mainly concerned the increase in the cost of energy, especially for European plants, and the increase in the cost of raw materials, mitigated for the Piaggio group in part by the agreements entered into with suppliers.
The conflict in the Middle East is having an impact on trade flows. In particular, possible attacks on ships transiting the Red Sea have led to a drastic reduction in traffic in the Suez Canal and a diversion of trade routes, with a consequent increase in costs and times related to the transport of supplies and the distribution of products. The direct impacts on the Group are currently limited, mitigated by selecting local suppliers and by the efficiency of the systems used for the planning and logistics process.

Risks related to consumer purchasing habits – The success of the Group's products depends on its ability to manufacture products that cater for consumer's tastes and – with particular reference to the Piaggio group – can meet their needs for mobility.
With reference to the subsidiary Intermarine, however, the success of the company in the different lines of business in which it operates depends on the ability to offer innovative and high quality products that guarantee the performance demanded by customers, in terms of lower fuel consumption, higher performance, greater passenger transport capacity, greater cruising comfort, handling and safety of the vessels used, among other things, in the defence and control of territories. The risk could derive from the uncertainties of fitting out the new prototypes and the lack of funds and programmes to renew the fleet on the part of Italian and international shipowners. In this respect, shipowners will now be able to verify and use the availability of financial resources under the NRRP.
Levering customer expectations and emerging needs, with reference to its product range and customer experience is essential for the Piaggio group to maintain a competitive edge. Through market analysis, focus groups, concept and product testing, investments in research, development and innovation and sharing its roadmap with suppliers and partners, Piaggio aims to capitalise on emerging market trends to renew its own product range. Customer feedback enables Piaggio to evaluate customer satisfaction levels and fine-tune its own sales and after-sales service model.

Risks associated with the high degree of market competition – In addition, the Group is exposed to the actions of competitors that, through technological innovation or replacement products, could obtain products with better quality standards and streamline costs, offering products at more competitive prices.
In the industrial sector, the Piaggio group has tried to tackle this risk, which could have a negative impact on the financial position and performance of the Group, by manufacturing high quality products that are innovative, reliable and safe, and by consolidating its presence in the geographic segments where it operates.
With reference to the marine sector, and the mine sweeping platforms segment, Intermarine has a considerable technological edge over the competition, while the Fast Ferries division is affected in particular by a context in which the owners prefer carrying out repairs on operating vessels rather than investing in new constructions. It has become apparent in the recent period that activities and prospects in the Fast Ferries market are reviving, in the light of the recent requests for tenders received from private shipowners and invitations to tender.

Risk related to the regulatory and legal framework – Numerous national and international laws and regulations on safety, noise levels, consumption and the emission of pollutant gases apply, in particular to Piaggio products. Strict regulations on atmospheric emissions, waste disposal, the drainage and disposal of water and other pollutants also apply to the group's production sites, as do reporting obligations on sustainability.

Unfavourable changes in the regulatory and/or legal framework at a national and international level could mean that products can no longer be sold on the market, forcing manufacturers to invest to renew their product ranges and/or renovate/upgrade production plants.
To deal with these risks, the Piaggio group has always invested in research and development into innovative products, anticipating any restrictions on current regulations. Moreover, the Piaggio group is not only a member of Confindustria, but also of important national and international associations in the automotive sector, such as ACEM (chaired by Michele Colaninno), ANFIA and ANCMA, which represent and protect the economic, technical and regulatory interests of the automotive sector in institutional and political dimensions, and with the authorities, bodies and associations responsible, at national and international level, for industrial policy and the individual and collective mobility of persons and goods.
Finally, the Piaggio group, as one of the sector's leading manufacturers, is often requested to be represented on parliamentary committees appointed to discuss and formulate new laws.
Intermarine is also a member of important trade associations such as Confindustria La Spezia and Messina as well as the AIAD Federation representing Italian Aerospace, Defence and Security Companies.

Risks related to natural events - The global scenario of the coming years depicts an increasing intensification of extreme weather phenomena and risks related to climate change with the consequent need for increased attention and protection in this regard. As part of the assessment of risks related to climate change, the Piaggio group has not currently identified as relevant risks related to the inability to achieve strategic objectives due to changes in the external context (also taking into account possible impacts on the supply chain) and possible inadequate management of atmospheric emissions.
The process of identifying these risks, as well as the assessments of their relevance and significance, were conducted both on the basis of the internal context as well as on the basis of the dynamics of the reference market, and current regulations.
At a strategic level, the Piaggio group intends in any event to pursue the integration of sustainable development principles into its vision and business model in an increasingly precise and consistent way, which includes the preparation of its Decarbonisation Plan. With this Plan, the Group, and in particular Piaggio, has confirmed its commitment to sustainability, defining concrete actions to contribute to achieving the climate targets set by the European Union.
In this context it should be noted that the Piaggio group operates through industrial plants located in Italy, India, Vietnam and Indonesia. These sites could be affected by natural events, such as earthquakes, typhoons, flooding and other catastrophes that may damage sites and also slow down/interrupt production and sales.
In this respect, in 2023 the Piaggio group, with the support of a leading consulting firm, carried out a climate risk analysis for the plants in Pontedera (Italy) and Baramati (India). This analysis did not highlight any critical issues related to climatic factors for either production site.
Potential impacts related to the physical risks associated with climate change are managed by the Group and in particular by the Piaggio group and the subsidiary Intermarine S.p.A. through the continuous renovation of facilities, and also through the stipulation of specific insurance cover divided among the various sites according to their relative importance.
Specifically, with reference to Piaggio, the outcome of the above assessments on the relevance of climate change risks was also duly taken into account in the process of defining the assumptions adopted to prepare the Business Plan, as better described in the notes to the consolidated financial statements of the Piaggio group, in the section on goodwill.

Risks related to the pandemic - If a pandemic spreads and measures are adopted by various governments to contain the virus, the Group’s businesses could be negatively affected in terms of decreasing revenues, margins and cash flows.
In particular, the Piaggio group could have an impact on:

❑ the procurement chain: suppliers might no longer be able to produce/deliver the components necessary to supply production sites;

❑ production activities: the Group might no longer be able to use the workforce, following government regulations limiting personal movement, or it might be impossible for the company to guarantee a healthy, protected work environment;

❑ the distribution of products: measures to contain the spread of the virus could require sales outlets to be closed, or the Group might not be able to supply the sales network.

the Piaggio group has tried and is trying to deal with this risk, which could negatively affect the group's financial position and performance following a possible decrease in revenues, profitability and cash flows, thanks to a global sourcing policy, a production capacity distributed across different continents and a sales network present in over 100 nations.

The Group carefully monitors the development of the health situation and implements all precautions to ensure the health and safety of employees within its plants and to be able to fulfil all its commitments.

<u>Risk related to the adoption of new technologies</u> – The risk related to the adoption of new technologies is associated above all with the Piaggio group, which is exposed to risk arising from the difficulty of keeping abreast with new technologies, both in terms of products and the production process. To deal with this risk, on the one hand, as regards products, the R&D centres in Pontedera, Noale and the PADc (Piaggio Advance Design Center) in Pasadena carry out research, development and the testing of new technological solutions, such as those dedicated to electric vehicles, through strategic partnerships in some cases. Piaggio Fast Forward in Boston is also studying innovative solutions to anticipate and respond to the mobility needs of the future.

As regards the production process, Piaggio has operational areas dedicated to the study and implementation of new solutions to improve the performance of production facilities, with particular attention paid to sustainability and energy efficiency aspects.

<u>Risks related to the sales network</u> – The Piaggio group's business is closely related to the sales network's ability to guarantee end customers a high quality sales and after-sales service, to build a relationship of trust and lasting. The Piaggio group ensures these levels are maintained by defining compliance with certain technical/professional standards in contracts, offering training for sales and after-sales staff and implementing periodic controls, reinforced by new IT systems designed to improve network monitoring activities and therefore the level of customer service.

Operating risks

Product-related risks – The Group has to deal with risks related to product defects due to non-conforming quality and safety levels.
The risk for the Piaggio group refers to consequent recall campaigns, that would expose the group to: the costs of managing campaigns, replacing vehicles, claims for compensation and above all if faults are not managed correctly and/or are recurrent, damage to its reputation. A product nonconformity may be due to potential errors and/or omissions of suppliers, or internal processes (i.e. during product development, production, quality control).
To mitigate these risks, the Piaggio group has established a Quality Control system, it tests products during various stages of the production process and carefully sources its suppliers based on technical/professional standards. The quality provided by the group is also guaranteed by obtaining and maintaining quality management system certification at global level (ISO 9001). The Piaggio group has also defined plans to manage recall events and has taken out insurance to protect the group against events attributable to product defects.
To deal with product risk, the subsidiary Intermarine instead normally adopts a type of contract that also includes assistance and logistics packages which are formalised in agreements regulating acquired contracts.

Risks related to the production process/business continuity – The group is exposed to risk connected with possible interruptions to company production, due to the unavailability of raw materials or components, skilled labour, systems or other resources.
To deal with these risks, the Group has necessary maintenance plans, invests in upgrading machinery, has a flexible production capacity, prepares Disaster Recovery plans and sources from several suppliers of components to prevent the unavailability of one supplier affecting company production.
Moreover, the operating risks related to industrial sites in Italy and other countries, as regards the Piaggio group, are managed through specific insurance cover assigned to sites based on their relative importance.

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

Risks related to the environment and health and safety – The Group has production sites, research and development centres and sales offices in different nations and so is exposed to the risk of not being able to guarantee a safe working environment, with the risk of causing potential harm to property or people and exposing the Group to legal sanctions, lawsuits brought by employees, costs for compensation payments and reputational harm.
To mitigate these risks, the Piaggio group adopts a model that is based on environmental sustainability, in terms of safeguarding natural resources and the possibility that the ecosystem might

absorb the direct and indirect impact of production activities. Specifically, the Piaggio group seeks to minimise the environmental impact of its industrial activities through careful definition of the technological transformation cycle and use of the best technologies and most modern methods of production.
The risks related to accidents/injuries sustained by personnel are mitigated by aligning processes, procedures and structures with applicable Occupational Safety laws, as well as best international standards.
For the Piaggio group, these commitments, set out in the Code of Ethics and confirmed by top management in the Group's "environmental policy" which is the basis for environmental certification (ISO 14001) and health and safety certification (ISO 45001) already awarded and maintained at production sites, are in any case a mandatory benchmark for all company sites.
The subsidiary Intermarine S.p.A. also adopts systems aimed at the most efficient management and monitoring of environmental and health and safety-related risks associated with its production activities. In particular, the shipyards at Sarzana and Messina have Environmental certification (ISO 14001), issued by RINA. Although not yet certified, all sites have also adopted the same Integrated Management System which also covers health and safety (ISO 45001).

Risks related to processes and procedures adopted – The Group is exposed to the risk of shortcomings in planning its company processes or errors and deficiencies in carrying out operations.
To deal with this risk, the Group has established a system of directives comprising organisational notices and Manuals/Policies, Management Procedures, Operating Procedures and Work Instructions. For the Piaggio group, all documents related to Group processes and procedures are part of the single Group Document Information System, with access that is regulated and managed on the company intranet.

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

Risks related to human resources – The main risks the Group is exposed to concerning human resources management include the ability to recruit expertise, professionalism and experience necessary to achieve objectives. To offset these risks, the Group has established specific policies or practices for recruitment, career development, training, remuneration and talent management, which are adopted in all countries where it operates according to the same principles of merit, fairness and transparency, and focusing on aspects that are relevant for the local culture.
The employees of Group companies are protected by laws and collective labour contracts that guarantee them – through local and national representation – the right to be consulted on specific matters, including programmes related to the use of staff in accordance with ongoing job orders.
In Europe, the Piaggio group operates in an industrial context with a strong trade union presence, and is potentially exposed to the risk of strikes and interruptions to production activities.
In the recent past, the Group was not affected by major interruptions to production because of strikes. To avoid the risk of interruptions to production activities, as far as possible, the Group bases its relations with trade union organisations on dialogue.

Legal risks – The Group legally protects its products and brands throughout the world. In some countries where the Group operates, laws do not offer certain standards of protection for intellectual

property rights. This circumstance could render the measures adopted by the Piaggio group in particular to protect itself from the unlawful use of these rights by third parties inadequate.
Within the framework of its operations, the Group is involved in legal and tax proceedings. As regards some of the proceedings, the Group could be in a position where it is not able to effectively quantify potential liabilities that could arise. A detailed analysis of the main disputes is provided in the specific section of the Report on Operations.

Risks related to internal offences – The Group is exposed to risks of its employees committing offences, such as fraud, active and passive corruption, acts of vandalism or damage that could have negative effects on its business results in the year, and also harm the image and integrity of the company and its reputation. To prevent these risks, the Group has adopted Organisational Models pursuant to Legislative Decree 231/2001 (Compliance Programmes) and Codes of Ethics, which illustrate the principles and values inspiring the entire organisation, and has set up Whistleblowing platforms, which can be used to communicate information on serious wrongdoings relating to violations of the law and/or the internal control system, which have occurred or are very likely to occur within the Organisation.

Risks related to financial disclosure – The Group is exposed to the risk of possible inadequacies in its procedures that are intended to ensure compliance with main Italian and foreign regulations applicable to financial disclosure, running the risk of receiving fines and other sanctions. In particular, the Group is exposed to the risk that financial reporting for Group stakeholders is not accurate and reliable due to significant errors or the omission of material facts and that the Group provides disclosure required by applicable laws in a manner which is inadequate, inaccurate or untimely.
It should be noted that the control activity provided for by Law 262/2005, in addition to referring to the Parent Company, is also extended to the Group's most important subsidiaries. The Group also has an internal audit function, while the financial statements are audited by the Independent Auditors.

ICT system risks - With reference to this category, the main risk factors that could compromise the availability of the Group's ICT systems include cyber attacks, which could cause the possible interruption of production and sales support activities or compromise the confidentiality, integrity and availability of personal data managed by the Group.
On a global level, there was an increase in cyber attacks during the year, both in number and intensity, which did not, however, cause any damage, particularly in the Piaggio group. In this context, continuous measures are taken to consolidate the centralised control system, aimed at improving IT security.

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

Financial risks

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

- debenture loans for a nominal amount of approximately €250 million issued by Piaggio & C. S.p.A.;
- bank loans for a nominal amount of approximately €800.2 million. The type, rates and maturities of these loans are discussed in the Notes.

In addition, the Group has outstanding amounts due for leases, amounts due to subsidiaries not fully consolidated and amounts due to other lenders for an overall amount of approximately €101.6 million.

The Immsi Group has undrawn credit lines of €450 million, available to meet any unforeseen cash requirements, of which €406 million referred to the Piaggio group.

The Group is exposed to the risk arising from the production of cash flows that are not sufficient to guarantee Group payments due, with effects on adequate profitability and growth such as to guarantee the pursuit of strategic objectives. Moreover, this risk is connected with the difficulty the Group may have in obtaining loans or a worsening in conditions of loans necessary to support Group operations in appropriate time frames. The debt indicated above could also negatively affect Group operations in the future, limiting its capacity to obtain further financing or to obtain it at more favourable conditions. In particular, over the next 12 months, together with the short-term instalments of medium- and long-term loans, several short-term credit lines will expire, the renewal of which is crucial to be able to continue operating. A detailed examination of these lines is provided in the Notes.
To face this risk, the Group's cash flows and credit line needs are monitored constantly by management or, in the case of the Piaggio group, managed centrally under the control of the Piaggio group's Treasury Department, in order to guarantee an effective and efficient management of financial resources, as well as optimise the debt's maturity standpoint.
The Piaggio group also has undrawn credit lines, sufficient to enable it to manage with any unforeseen cash requirements.
In addition, Piaggio & C., the parent company of the Piaggio group, finances the temporary cash needs of the group companies through the direct disbursement of short-term loans regulated at market conditions or through guarantees, and also provides for the transfer of receivables and supply chain financing or reverse factoring operations as specified in more detail in the valuation criteria of the notes to the 2023 consolidated financial statements.
To deal with this risk, Intermarine also monitors and strictly manages the company's cash flow and credit line needs with the aim of ensuring an effective and efficient management of financial resources as well as optimising the debt's maturity standpoint.
The Parent Company Immsi S.p.A. supports, where necessary, its subsidiaries in the "Property and Holding" and "Marine" sectors through credit lines in order to guarantee support for the implementation of their development plans.
Also with reference to the net financial indebtedness of the above-mentioned Sectors, reference should be made to the section of the Notes to the Financial Statements entitled "Accounting standards and measurement criteria".

<u>Exchange rate risks</u> – The Group, primarily through Piaggio group companies, undertakes operations in currencies other than the Euro and this exposes it to the risk of fluctuating exchange rates of different currencies. Exposure to business risk consists of envisaged payables and receivables in foreign currency, taken from the budget for sales and purchases reclassified by currency and accrued on a monthly basis. With reference to the Piaggio group, the policy is to hedge at least 66% of the exposure of each reference month. Exposure to the settlement risk consists of receivables and payables in foreign currency acquired in the accounting system at any moment. The hedge must at all times be equal to 100% of the import, export or net settlement exposure for each currency. Over the course of the year, the exchange risk has been managed in line with the current policy, which aims to neutralise the possible negative effects of exchange rate changes on company cash flow, by hedging the business risk, which concerns changes in company profitability in relation to the annual business budget on the basis of a key change (the so-called "budget change") and the settlement risk, which concerns the differences between the exchange rate recorded in the financial statements for receivables or payables in foreign currency and that recorded in the related receipt or payment.

<u>Interest rate risks</u> – The Group has assets and liabilities which are sensitive to changes in interest rates and are necessary to manage liquidity and financial requirements. These assets and liabilities

are subject to an interest rate risk and are hedged by derivatives or, where necessary, by specific fixed-rate loan agreements. For a more detailed description, please refer to the Notes to the Condensed Consolidated Interim Financial Statements.

Credit risk – The Group is exposed to the risk of late payments of receivables. This risk is connected with any downgrading of the credit rating of customers and consequent possibility of late payments, or the insolvency of customers and consequent failure to receive payments. To balance this risk, the Group evaluates the financial reliability of its business partners. The Group, in particular the companies Piaggio & C. S.p.A. and Intermarine S.p.A., also stipulates contracts with important Italian and foreign factoring companies for the sale of trade receivables without recourse.

Risks related to deleverage – This risk is connected with compliance with covenants and targets to reduce loans, to maintain a sustainable debt/equity balance.
To offset this risk, the measurement of financial covenants and other contract commitments is monitored by the Group on an ongoing basis.

Human resources

As at 30 June 2024, the Immsi Group employed 6,520 staff, of which 99 in the property and holding sector, 6,206 in the industrial sector (Piaggio group) and 215 in the marine sector (Intermarine S.p.A.). The following tables divide resources by category and geographic segment:

Human resources by category

numbers	30.06.2024			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Senior management	4	119	8	131
Middle managers and white-collar workers	34	2,308	130	2,472
Blue-collar workers	61	3,779	77	3,917
TOTAL	**99**	**6,206**	**215**	**6,520**

numbers	31.12.2023			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Senior management	4	112	7	123
Middle managers and white-collar workers	27	2,319	127	2,473
Blue-collar workers	19	3,494	79	3,592
TOTAL	**50**	**5,925**	**213**	**6,188**

numbers	Changes			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Senior management	0	7	1	8
Middle managers and white-collar workers	7	-11	3	-1
Blue-collar workers	42	285	-2	325
TOTAL	**49**	**281**	**2**	**332**

Human resources by geographic segment

numbers	30.06.2024			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Italy	99	3,341	215	3,655
Rest of Europe	0	259	0	259
Rest of the world	0	2,606	0	2,606
TOTAL	**99**	**6,206**	**215**	**6,520**

numbers	31.12.2023			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Italy	50	3,007	213	3,270
Rest of Europe	0	271	0	271
Rest of the world	0	2,647	0	2,647
TOTAL	**50**	**5,925**	**213**	**6,188**

numbers	Changes			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Italy	49	334	2	385
Rest of Europe	0	-12	0	-12
Rest of the world	0	-41	0	-41
TOTAL	**49**	**281**	**2**	**332**

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

For further information on Group employees (such as remuneration and training policies, diversity and equal opportunities, safety, etc.), reference is made to the section on the Social Dimension in the Consolidated Non-Financial Statement at 31 December 2023 prepared pursuant to Legislative Decree 254/2016.

Stock options

As at 30 June 2024, Immsi S.p.A. had no existing stock option plan.

With reference also to the subsidiary Piaggio & C. S.p.A., as at 30 June 2024 there were no incentive plans based on the allocation of financial instruments.

Own shares

As at 30 June 2024, Immsi S.p.A. held no treasury shares. The share capital of Immsi S.p.A. is unchanged at €178,464,000.00, represented by 340,530,000 ordinary shares with no nominal value.

Furthermore, the Ordinary Shareholders' Meeting of Immsi S.p.A. of 29 April 2024 approved a plan for the purchase and disposal of ordinary shares of the Company, revoking the previous authorisation of the Ordinary Shareholders' Meeting of Immsi S.p.A. of 28 April 2023.
On 7 May 2024, following the aforementioned approval at the Shareholders' Meeting, the Board of Directors of Immsi S.p.A. resolved to start a treasury share purchase programme; this is a useful strategic investment opportunity for all purposes allowed under applicable laws, including those envisaged in Article 5 of Regulation (EU) 596/2014 (Market Abuse Regulation, "MAR") and in the practices permitted by Consob pursuant to Article 13 of the MAR, where applicable. Among these is the purpose of purchasing treasury shares with a view to their subsequent cancellation.
The purchase of shares connected with the adoption of the programme will be based on the procedures and limits established by the above-mentioned resolution of the shareholders' meeting and specifically:

- the purchase may concern a maximum of 10,000,000 Immsi ordinary shares, with no nominal value indicated, for a maximum value of €10 million and, therefore, within the limits established by law (20% of the share capital, pursuant to Article 2357, paragraph 3, of the Italian Civil Code);
- the purchase of treasury shares must be within the limits of profit that may be distributed and available reserves as resulting from the last, also interim, financial statements approved at the time the operation takes place;
- purchases of treasury shares will be made on the regulated market in such a way as to ensure equal treatment of shareholders pursuant to Article 132 of Legislative Decree 58/1998, with a gradual approach deemed appropriate to the interests of the Company and as permitted by current legislation, according to the procedures established in Article 144-bis, paragraph 1, letter b) of Consob Regulation 11971/1999, as subsequently amended. Purchases should also take into account the conditions relating to negotiation referenced in Article 3 of the Commission Delegated Regulation (EU) 1052/2016 ("Regulation 1052") in compliance with the MAR, as well as the practices accepted by Consob pursuant to Article 13 MAR, where applicable (i) to a consideration that is no higher than the price of the last independent transaction or the price of the highest independent offer currently available in the trading venues where the purchase is made (whichever is higher). The unit price cannot in any case be less than a minimum of 20% and a maximum of 10% higher than the arithmetic mean of the official Immsi share price in the ten trading days prior to each individual purchase; (ii) for volumes of more than 25% the average

daily volume of Immsi S.p.A. shares traded on a regulated market on which the purchase is carried out, calculated according to the parameters as of Article 3 of Regulation 1052;
- the purchase programme may also take place in several tranches, ending by 28 October 2025.

With reference to the subsidiary Piaggio & C. S.p.A., as at 30 June 2024, the subsidiary held 426,161 treasury shares, equal to 0.1202% of shares issued.

Management and coordination

The parent company, Immsi S.p.A., gives reasons why management and coordination activities were not performed by its parent company Omniaholding S.p.A (also via the subsidiary Omniainvest S.p.A) in section 2, letter j), of the Report on Corporate Governance and Ownership as at 31 December 2023. Please refer to this for further information.

Related Party Transactions

Revenues, costs, payables and receivables as at 30 June 2024 involving parent, subsidiary and associate companies, refer to the sale of goods or services which are a part of normal operations of the Group.
Transactions are carried out at normal market values, depending on the characteristics of the goods and services provided.
Information on related-party transactions, including the information required by Consob communication no. DEM/6064293 of 28 July 2006, is presented in the notes to the Condensed consolidated interim financial statements as at 30 June 2024.

Disputes in progress

For information on disputes taking place at a Group level, reference is made to the Directors' Report on Operations of the Immsi Group as at 31 December 2023, in the section entitled "Disputes in progress", with the exception of more important aspects, which are reported below.

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

- The company TAIZHOU ZHONGNENG appealed to the Court of Cassation, to which Piaggio filed a counter-appeal on 5.09.2019. Following the hearing, on 17 October 2023, the Court of Cassation, with a ruling published on 29 November 2023, confirmed the protection of copyright on the shape of the Vespa and, as far as the trademark is concerned, instead referred the decision to the Court of Appeal of Turin.
  TAIZHOU ZHONGNENG then resumed the proceedings before the Court of Appeal and Piaggio & C S.p.A. duly entered an appearance on 20.06.2024. At the hearing on 11 July 2024, the Judge adjourned the case to 2 October 2024, so that the case could be discussed in a joint hearing.

- On 16 January 2023, the Court of Appeal of Milan ruled on the proceedings brought by PEUGEOT MOTOCYCLES S.a.s. (appeal against the combined proceedings of infringement and invalidity) and: (i) upheld the first instance ruling with reference to the finding of validity of EP'612 and the existence of the literal infringement of claims 1, 2 and 5 of the patent by Metropolis (ii) upheld the measures of the injunction and withdrawal from the market ordered by the Court of First Instance but, unlike the first instance ruling, limited the order of withdrawal from the market only to Peugeot Motocycles Italia S. r.l. in liquidation (iii) also rejected Peugeot's sixth ground of appeal (iv) ordered the general order against Peugeot Motocycles Italia S.r.l. in liquidation (v) ordered, by

separate order, the continuation of the case for the determination of the indemnifiable damage. As part of the continuation of the second-instance proceedings, an expert's appraisal was provided, following which the hearing was held on 8 November 2023. On this occasion, the Court of Appeal granted the parties deadlines for the filing of their final written briefs (9 January 2024 and 29 January 2024, respectively for closing statements and rejoinders), with the oral hearing set for 24 April 2024. In the meantime, Peugeot appealed before the Court of Cassation against the non-final ruling, which was followed by Piaggio's counter-appeal. The appeal before the Court of Cassation as declared inadmissible on 17 April 2024.
In a ruling published on 31 May 2024, the Court of Appeal of Milan sentenced Peugeot Italia to pay compensation for the damages suffered by Piaggio, estimated as €872,000, plus interest and monetary revaluation, and Peugeot and Peugeot Italia to pay Piaggio's legal costs. The time limits for a possible appeal to the Court of Cassation against the sentence of 31 May 2024 are now pending.

- Piaggio also started legal action against PEUGEOT MOTOCYCLES S.a.S. before the *Tribunal de Grande Instance* in Paris. In a ruling of 7 September 2021, the Court of Paris ruled in favour of Piaggio ordering Peugeot Motocycles to pay compensation for damages amounting to €1.5 million, in addition to further fines and legal costs, ordering a ban on Peugeot Motocycles manufacturing, promoting, marketing, importing, exporting, using and / or possessing in French territory any three-wheeler scooter that uses the control system patented by Piaggio (including the Peugeot Metropolis). Piaggio appealed for the provisional enforceability of the first instance ruling with a hearing held on 8 February 2022. The Court rejected the application to grant Piaggio provisional enforceability with a decision on 8.03.2022. At the same time, Peugeot appealed against the ruling in the first instance and Piaggio appeared in the appeal proceedings. On 1 June 2022, Piaggio filed the first defence in which it insisted on rejecting the appeal presented by Peugeot. Peugeot has requested that a new expert witness report be arranged; the request was rejected on 10 January 2023. The Court then set a hearing for 29 May 2024 for the closing argument, which was adjourned to 3 September 2024.

- ALZA ITALIA S.r.l. served a writ of summons on Piaggio, requesting the Court of Florence to order the latter to pay compensation for damages allegedly suffered as a result of the seizure of vehicles, owned by Alza Italia, in 2021; according to the plaintiff, this seizure was due to the expert report on the counterfeiting of the vehicles requested from Piaggio by the acting customs authorities. The damages, allegedly suffered as a result of the seizure (and, indirectly, by Piaggio's expert report, considered by the plaintiff to be incorrect), consisted of the impossibility of starting and then continuing the marketing of the seized vehicle models, for a total amount quantified in the writ of summons of €13,078,515.87. Piaggio duly entered an appearance on 3 May 2024; the first hearing will take place on 10 December 2024.

The amounts allocated by the Company for the potential risks deriving from the current disputes appear to be consistent with the predictable outcome of the disputes.

- With reference to tax disputes involving Piaggio & C. S.p.A., it should be noted that the dispute concerning the notices of assessment for regional production tax and corporate income tax notified to the company, on 22 December 2017, both relating to the 2012 tax period and containing findings on transfer pricing, is pending. In this regard, it is recalled that the company received a favourable ruling in both the first and second instance. The Attorney General's Office filed an appeal before the Court of Cassation against the second instance decision, which was notified to the company on 13 May 2024, while the latter filed a counter-appeal on 19 May 2024.

- With reference to the Indian company, some disputes concerning different years from 2000 to 2022 are ongoing. In particular, with reference to direct taxes, disputes mainly arise from assessments containing transfer pricing findings; while in the case of indirect taxes, the findings refer to the application of import duties and local trade taxes. Taking into account the positive indications of professionals appointed as counsel for the defence, no provision was made in the financial statements. The Indian company has already partly paid the amounts contested, as required by local laws, that will be paid back when proceedings are successfully concluded in its favour.

- With reference to PT Piaggio Indonesia, the company has certain disputes outstanding relating to the 2018, 2019, 2021, 2022 and 2023 tax periods.
  In particular, the years disputed by the competent authorities mainly refer to aspects concerning the application of transfer pricing and withholding taxes on alleged payment flows.
  With reference to the 2018 and 2019 tax periods, the company filed an appeal with the judicial authorities; a decision is pending.
  For the 2021 tax year, the Indonesian tax authorities have filed the same transfer pricing findings as those of 2018 and 2019. The total amount currently under dispute comes to approximately €1 million.
  As regards the 2022 tax year, the dispute concerns a higher tax amount of approximately €0.8 million.
  Finally, in relation to the 2022 and 2023 tax periods, there are further disputes concerning the non-recognition of duty exemption on certain imports of vehicles originating from Vietnam. The total amount currently subject to disputes amounts to approximately €0.4 million for 2022 and €0.4 million for 2023. With reference to the dispute relating to 2022, the company appealed to the judicial authorities, which ruled against the company; the Indonesian company appealed against this decision. With reference to the finding for the 2023 tax period, the company filed an appeal with the judicial authorities; a decision is pending.

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

- With reference to the appeal before the Court of Cassation in 2021 by Monte dei Paschi di Siena, against the appeal ruling of 2011 in favour of Intermarine for compounding interest, advance capitalisation of interest expense, advance calculation of interest with debit, annual interest expense rates higher than contractual rates, maximum overdraft fees and application of interest expense to levels different from those agreed, a hearing took place before the Court of Cassation in the first half of 2024, which referred the original sentence in favour of Intermarine to appeal.

Subsequent events and operating outlook

In the absence of further critical factors in the global macroeconomic framework, the Immsi Group will continue to work to meet its commitments and pursue its margin and productivity targets, thanks to the careful and efficient management of its economic and financial structure.

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

With reference to the business outlook for the **industrial sector**, Piaggio, thanks to a portfolio of iconic brands, appreciated worldwide as Italian symbols of elegance, sporting style and high technology, confirmed the margins achieved in the last few months, for 2024, regardless of the possible temporary slowdown in some markets.
The current difficulties in international transport linked to the Israeli-Palestinian conflict and the related increase in costs and delivery times will continue to be dealt with through careful management and planning of stock levels and purchasing flows, while maintaining a constant focus on achieving greater efficiency.
In view of this, the investments planned for new products in the two-wheeler and commercial vehicle sectors and the consolidation of the commitment to ESG issues are confirmed. In Italy, major investment plans have been outlined for the next few years, so as to be ready also for the ongoing energy transition. The decision to verticalize the development and production of strategic assets will be key to dealing efficiently with new technologies.

With reference to the **marine sector,** on 26 July 2024 Intermarine S.p.A. and Leonardo S.p.A. signed - as a Temporary Joint Venture - with NAVARM - the Naval Armaments Directorate of the General Secretariat of Defence and the National Armaments Directorate, a contract for the supply of naval units for mine sweeping and clearance - Cacciamine Nuova Generazione Costieri (CNG/C) and related integrated logistic support, worth 1.6 billion for the construction of 5 units and around 1 billion in options for the completion of the programme.
With reference to the basic 'tranche', Intermarine's share is €1.165 billion, corresponding to approximately 73%, and Leonardo's is €0.430 billion, corresponding to approximately 27%. A similar breakdown also applies to the optional 'tranches'. Intermarine is the lead company, and will be the design authority for the Naval Units, supplying the platform system; Leonardo is the principal, design authority and supplier of the combat system.
The contract is the result of significant investments in R&D for new materials and innovative, state-of-the-art production technologies. In particular, it follows on from intense preliminary studies carried out for the contract signed in 2021 between Intermarine and NAVARM for 'Risk Reduction Studies and the Design Definition of CNG Units'.
The start of the programme will enable the Italian Navy to have highly innovative minesweepers that, thanks to the most modern construction techniques and advanced combat system solutions capable of guaranteeing a high level of integration and automation of operations, will be unique worldwide in terms of operational capabilities and cutting-edge technologies in the specialised sector of assets for control, defence of the seabed and critical underwater infrastructures.

Intermarine's objectives are now focussed on developing the recently acquired contracts and once the required administrative procedures have been completed, on starting the important order with the Italian Navy, which guarantees a significant increase in the orders portfolio and consequently conditions that will optimise production capacity for the coming years. In addition, commercial activities will continue in all the company's operating *segments*, as it seeks further favourable market opportunities.

Mantova, 5 September 2024

for the Board of Directors
Chief Executive Officer

Michele Colaninno

Immsi Group

Condensed Interim Financial Statements

at

30 June 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

in thousands of Euros

ASSETS		*30 June 2024*	*31 December 2023*
NON-CURRENT ASSETS			
Intangible assets	*F1*	936,601	922,155
Property, plant and equipment	*F2*	391,587	376,055
Investment Property		0	0
Investments	*F3*	7,922	8,502
Other financial assets	*F4*	16	16
Tax receivables	*F5*	8,611	9,689
Deferred tax assets	*F6*	129,943	141,478
Trade receivables and other receivables	*F7*	21,096	19,743
- of which with Related Parties		*0*	*0*
TOTAL NON-CURRENT ASSETS		1,495,776	1,477,638
ASSETS HELD FOR DISPOSAL	*F8*	0	0
CURRENT ASSETS			
Trade receivables and other receivables	*F7*	211,780	127,866
- of which with Related Parties		*1,011*	*971*
Tax receivables	*F5*	23,239	20,802
Inventories	*F9*	476,500	439,659
Other financial assets	*F4*	0	13,075
Cash and cash equivalents	*F10*	327,059	196,096
TOTAL CURRENT ASSETS		1,038,578	797,498
TOTAL ASSETS		2,534,354	2,275,136

LIABILITIES		*30 June 2024*	*31 December 2023*
SHAREHOLDERS' EQUITY			
Consolidated Group shareholders' equity		231,019	228,840
Capital and reserves of non-controlling interests		180,084	166,427
TOTAL SHAREHOLDERS' EQUITY	*G1*	411,103	395,267
NON-CURRENT LIABILITIES			
Financial liabilities	*G2*	680,470	590,285
- of which with Related Parties		*847*	*1,052*
Trade payables and other payables	*G3*	12,360	12,340
Provisions for severance liabilities and similar obligations	*G4*	26,470	27,512
Other long-term provisions	*G5*	21,152	19,137
Deferred tax liabilities	*G6*	7,328	8,346
TOTAL NON-CURRENT LIABILITIES		747,780	657,620
LIABILITIES ON DISCONTINUED OPERATIONS	*F9*	0	0
CURRENT LIABILITIES			
Financial liabilities	*G2*	471,427	445,965
- of which with Related Parties		*400*	*408*
Trade payables	*G3*	771,703	660,644
- of which with Related Parties		*7,823*	*6,486*
Current taxes	*G7*	18,972	17,651
Other payables	*G3*	95,342	80,714
- of which with Related Parties		*8*	*111*
Current portion of other long-term provisions	*G5*	18,027	17,275
TOTAL CURRENT LIABILITIES		1,375,471	1,222,249
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,534,354	2,275,136

CONSOLIDATED INCOME STATEMENT AS AT 30 JUNE 2024
in thousands of Euros

		30.06.2024	30.06.2023
Net revenues (*)	*H1*	1,013,769	1,182,567
- of which with Related Parties		*2*	*5*
Costs for materials	*H2*	622,064	752,242
- of which with Related Parties		*10,271*	*15,506*
Costs for services, leases and rentals (*)	*H3*	151,191	160,640
- of which with Related Parties		*210*	*395*
Employee costs	*H4*	149,870	150,210
Depreciation and impairment costs of plant, property and equipment	*H5*	33,207	33,933
Impairment of goodwill		0	0
Amortisation and impairment costs of intangible assets with a finite useful life	*H6*	37,860	40,973
Other operating income	*H7*	90,711	84,502
- of which with Related Parties		*102*	*160*
Net reversals (impairment) of trade and other receivables	*H8*	(1,338)	(2,262)
Other operating costs	*H9*	13,847	18,304
- of which with Related Parties		*5*	*2*
OPERATING INCOME (EBIT)		95,103	108,505
Income/(loss) from investments	*H10*	(667)	139
Financial income	*H11*	7,452	16,097
Borrowing costs	*H12*	46,679	46,637
- of which with Related Parties		*26*	*23*
PROFIT BEFORE TAX		55,209	78,104
Taxes	*H13*	23,020	31,031
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		32,189	47,073
Gain (loss) from assets held for sale or disposal	*H14*	0	0
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS		32,189	47,073
Earnings for the period attributable to non-controlling interests		20,703	27,505
GROUP PROFIT (LOSS) FOR THE PERIOD	*H15*	11,486	19,568

(*) with reference to the industrial sector, following the contractual changes made from 2024 to the sell-out promotions for the Indian market, the costs of the aforementioned promotions, previously allocated to the provision of services, are now allocated as a deduction of revenues. Although the value is to be considered negligible, €4,872 thousand was reclassified from cost of services to lower revenue in the first half of 2023, in order to allow for a better comparability with 2024 figures.

EARNINGS PER SHARE
In Euros

From continuing and discontinued operations:	*30.06.2024*	*30.06.2023*
Basic	0.034	0.057
Diluted	0.034	0.057

From continuing operations:	*30.06.2024*	*30.06.2023*
Basic	0.034	0.057
Diluted	0.034	0.057

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2024

in thousands of Euros

	30.06.2024	*30.06.2023*
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	32,189	47,073
Items that will not be reclassified in the income statement		
Profit (loss) arising from the fair value measurement of assets and liabilities recognised in the statement of comprehensive income ("FVTOCI")	2,597	2,235
Actuarial gains (losses) on defined benefit plans	685	33
Total	3,282	2,268
Items that may be reclassified in the income statement		
Effective portion of profit (losses) from instruments to hedge cash flows	1,063	(5,905)
Profit (loss) deriving from the translation of financial statements of foreign companies denominated in foreign currency	1,719	(2,086)
Share of subsidiaries/associates valued with the equity method	87	(744)
Total	2,869	(8,735)
Other Consolidated Comprehensive Income (Expense)	6,151	(6,467)
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	38,340	40,606
Comprehensive income of minority interests	22,434	23,237
COMPREHENSIVE GROUP PROFIT (LOSS) FOR THE PERIOD	15,906	17,369

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

STATEMENT OF CONSOLIDATED CASH FLOWS AS AT 30 JUNE 2024
in thousands of Euros

In thousands of Euros		30.06.2024	30.06.2023
Operating activities			
Profit before tax		55,209	78,104
Depreciation of property, plant and equipment (including investment property)	*H5*	33,207	33,842
Amortisation of intangible assets	*H6*	37,860	40,973
Provisions for risks and for severance indemnity and similar obligations	*H4 - H9*	13,077	16,876
Write-downs (reversals of fair value measurements)	*H7 – H8 – H9*	1,338	2,300
Losses / (Gains) on the disposal of property, plant and equipment (including investment property)	*H7 - H9*	(579)	(2,187)
Financial income	*H11*	(1,078)	(1,654)
Dividend income	*H11*	(34)	0
Borrowing costs	*H12*	39,022	31,582
Amortisation of grants	*H7*	(2,616)	(3,080)
Portion of earnings before taxes of affiliated companies (and other companies valued using the equity method)	*H10*	667	(139)
Change in working capital:			
(Increase) / Decrease in trade receivables and other receivables	*F8*	(71,581)	(76,407)
(Increase)/Decrease in inventories	*F10*	(36,841)	2,973
Increase / (Decrease) in trade and other payables	*G3*	118,522	2,447
(Increase) / Decrease in contract work in progress	*F8*	(15,023)	(82)
Increase/(Decrease) in provisions for risks	*G5*	(5,649)	(6,704)
Increase / (Decrease) in provisions for severance liabilities and similar obligations	*G4*	(5,492)	(6,324)
Other changes		(3,316)	(5,500)
Cash generated from operating activities		156,693	107,020
Interest paid		(32,988)	(26,411)
Taxes paid		(12,277)	(13,389)
Cash flow from operations		111,428	67,220
Investing activities			
Acquisition of subsidiaries, net of cash and cash equivalents	*F4*	0	(158)
Investment in property, plant and equipment (including investment property)	*F2*	(35,545)	(25,834)
Sale price, or repayment value, of plant, property and equipment (including investment property)	*F2*	934	2,483
Investment in intangible assets	*F1*	(51,400)	(45,091)
Sale price, or repayment value, of intangible assets	*F1*	42	43
Sale price of financial assets	*F4*	9,466	0
Collected interests		892	1,640
Public grants collected		772	466
Cash flow from investing activities		(74,839)	(66,451)
Financing activities			
Change in other financial assets	*F4*	6,205	0
Loans received	*G2*	207,372	121,386
Outflow for repayment of loans	*G2*	(89,554)	(80,080)
Reimbursement of rights of use	*G2*	(5,464)	(5,111)
Outflow for dividends paid to Parent company Shareholders	*G1 - N*	(8,514)	(13,281)
Outflow for dividends paid to non-controlling interests		(13,990)	(17,528)
Cash flow from financing activities		96,055	5,386
Increase / (Decrease) in cash and cash equivalents		132,644	6,155
Opening balance		193,552	263,513
Exchange differences		847	(2,184)
Closing balance		327,043	267,484

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS AT 30 JUNE 2024

in thousands of Euros

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

	Share capital	*Reserves and retained earnings (losses)*	*Earnings for the period*	*Shareholders' equity attributable to the Group*	*Capital and reserves of non-controlling interests*	*Shareholders' equity attributable to the Group and non-controlling interests*
Balances at 31 December 2023	***178,464***	***31,294***	***19,082***	***228,841***	***166,426***	***395,267***
Allocation of Group earnings to the Legal Reserve		824	(824)	0		0
Allocation of Group earnings to Dividends		0	(8,514)	(8,514)	(13,990)	(22,504)
Allocation of Group earnings to Retained Earnings/Losses		9,744	(9,744)	0		0
Other changes		(5,213)		(5,213)	5,213	0
Overall earnings for the period		4,420	11,486	15,906	22,434	38,340
Balances at 30 June 2024	***178,464***	***41,069***	***11,486***	***231,019***	***180,084***	***411,103***

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2024

Note	Description
A	**General aspects**
B	**Scope of consolidation**
C	**Basis of consolidation**
D	**Accounting standards and measurement criteria**
E	**Segment reporting**
F	**Information on main assets**
F1	Intangible assets
F2	Property, plant and equipment
F3	Investments
F4	Other financial assets
F5	Tax receivables
F6	Deferred tax assets
F7	Trade receivables and other receivables
F8	Assets/liabilities related to assets held for disposal
F9	Inventories
F10	Cash and cash equivalents
G	**Information on main liabilities**
G1	Shareholders' equity
G2	Financial liabilities
G3	Trade payables and other payables
G4	Provisions for severance liabilities and similar obligations
G5	Other long-term provisions
G6	Deferred tax liabilities
G7	Current taxes
H	**Information on main Income Statement items**
H1	Net revenues
H2	Costs for materials
H3	Costs for services, leases and rentals
H4	Employee costs
H5	Depreciation and impairment costs of plant, property and equipment
H6	Amortisation and impairment costs of intangible assets with a finite useful life
H7	Other operating income
H8	Net reversals (impairment) of trade and other receivables
H9	Other operating costs
H10	Income/(loss) from investments
H11	Financial income
H12	Borrowing costs
H13	Taxes
H14	Gain (loss) from assets held for disposal or sale
H15	Group profit/loss for the period
I	**Commitments, risks and guarantees**
L	**Related Party Transactions**
M	**Net debt**
N	**Dividends paid**
O	**Earnings per share**
P	**Additional information on financial instruments**

- A) - GENERAL ASPECTS

Immsi S.p.A. (the “Company” or the “Parent Company”) is a limited company established under Italian law and has registered offices in Mantua - P.zza Vilfredo Pareto, 3 Centro Direzionale Boma. The main activities of the Company and its subsidiaries (the “Immsi Group” or the “Group”), and information on significant events after 30 June 2024 and operating outlook are described in the Half-Yearly Financial Report. As at 30 June 2024, Immsi S.p.A. was directly and indirectly controlled, pursuant to article 93 of the TUF, by Omniaholding S.p.A., a company wholly owned by the Colaninno family, through the subsidiary Omniainvest S.p.A.

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

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

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

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

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

The financial statements have been prepared on a going concern basis with reference to a future period of 12 months from 30 June 2024. In relation to the forecasts drawn up concerning the financial requirements, deriving mainly from investment activities and the management of net working capital, taking into account the credit lines maturing during the year and the financial commitments that the Company has undertaken to meet in order to support the development of its initiatives, the Directors have taken, and will take in the coming months, actions aimed at finding solutions that will guarantee financial balance, including the renewal of short-term credit lines, also taking into consideration the risk of a possible scenario of uncertainty on the stock markets, constantly monitored by Company Management, with possible consequences on the size of credit lines currently granted to the Company, largely guaranteed by Piaggio shares held by the latter. In this regard, it should be noted that the current share price of the Piaggio stock makes it possible to confirm the guarantees in place for all related loans. Furthermore, as at 30 June 2024, approximately 7.5 million Piaggio shares remain free of guarantee and can therefore potentially be used to obtain new credit lines.

The preparation of the interim financial statements requires the company Management to make estimates and assumptions that affect, among other things, the reported amounts of revenues, expenses, assets and liabilities recorded and disclosure of contingent assets and liabilities at the date of the end of the period. If in the future such estimates and assumptions, made by *management* based on the best information available at the date of the consolidated interim financial statements, were to deviate from the actual circumstances, the original estimates and assumptions would be modified as appropriate in the period in which the circumstances occurred.
For a more detailed description of the most significant measurement methods of the Group, reference is made to the section "*Accounting standards and measurement criteria – Use of estimates*" in the Consolidated Financial Statements of the Immsi Group as at 31 December 2023.

In addition, some evaluative processes, particularly the more complex ones such as the determination of any losses in value of fixed assets ("impairment"), are generally carried out completely only at the time of drawing up the annual financial statements, when all the potentially necessary information is available, saving the cases in which there are indicators that require immediate evaluation of possible losses of value.
In this regard, it should be noted that when preparing this Half-Yearly Financial Report as at 30 June 2024, the Group's management carried out consolidated-level sensitivity analyses and specific calculations on the impairment tests concerning the carrying value of the goodwill recognised. These showed that there was no need to update the impairment test prepared and approved as at 31 December 2023 for any of the CGUs under assessment.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

No significant, non-recurring operations, as defined by Consob Communication DEM/6064293 of 28 July 2006 took place during the first half of 2023 and 2024.

Moreover, there were no significant atypical transactions during the first half of 2024 and of the corresponding period of the previous year, as defined in Consob Communication no. DEM/6037577 of 28 April 2006 and no. DEM/6064293 of 28 July 2006.
Consolidated income statement
The Consolidated income statement is presented with the items classified by nature. The overall Operating Income is shown, which includes all income and cost items, irrespective of their repetition or fact of falling outside normal operations, except for the items of financial operations included under Operating Income and Profit before tax. In addition, the income and cost items arising from assets that are held for disposal or sale, including any capital gains or losses net of the tax element, are recorded in a specific item of the consolidated statement of financial position which precedes profit (loss) for the period including minority interests.

Consolidated Statement of Comprehensive Income

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

Consolidated statement of financial position

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

Consolidated Statement of Cash Flows

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

Statement of changes in consolidated shareholders' equity

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

Other information

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

	Exchange rate at 28 June 2024	Average exchange rate 1st half of 2024	Exchange rate at 31 December 2023	Average exchange rate 1st half of 2023
US Dollar	1.0705	1.08125	1.1050	1.08066
Pound Sterling	0.84638	0.854647	0.86905	0.876377
Indian Rupee	89.2495	89.98621	91.9045	88.84427
Singapore Dollars	1.4513	1.45606	1.4591	1.44403
Chinese Yuan	7.7748	7.80111	7.8509	7.48943
Japanese Yen	171.94	164.46135	156.33	145.76039
Vietnamese Dong	27,250.00	26,981.06349	26,808.00	25,425.00
Indonesian Rupiah	17,487.21	17,205.14730	17,079.71	16,275.09142
Brazilian Real	5.8915	5.49221	5.3618	5.48269

- B - SCOPE OF CONSOLIDATION

As at 30 June 2024, the Immsi Group structure was that attached at the end of these Notes.
As at 30 June 2024, the scope of consolidation was unchanged compared to 31 December 2023, while compared to 30 June 2023:

- the portion of the Piaggio group's consolidated shareholders' equity as at 30 June 2024 was 50.63%, up from 50.57% as at 30 June 2023. The change is the result of the cancellation of 3,521,595 treasury shares held by the company (keeping the share capital unchanged) and the purchase by the subsidiary Piaggio & C. S.p.A. of 426,161 treasury shares; events that occurred during the 2023 financial year;
- With the Shareholders' Meeting's approval of the financial statements for liquidation purposes, the liquidation of the direct subsidiary Pietra S.r.l. (77.78% owned by Immsi S.p.A. and 22.22% owned by Intesa Sanpaolo S.p.A.) was finalised on 27 July 2023.

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

- C - CONSOLIDATION PRINCIPLES

In preparing these Condensed Interim Financial Statements of the Immsi Group, drawn up, as mentioned, in compliance with IAS 34 – Interim Financial Reporting, the accounting standards used to prepare the Consolidated Financial Statements as at 31 December 2023, to which reference is made for more details, were adopted, save for information in the next section on Accounting standards and measurement criteria.

- D - ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA

New IFRS accounting standards, amendments and interpretations adopted from 1 January 2024

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group at 1 January 2024:

- On 23 January 2020, the IASB published an amendment called ***"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*"** and on 31 October 2022 published an amendment called **"*Amendments to IAS 1 Presentation of Financial Statements*: *Non-Current Liabilities with Covenants*".** These amendments aim to clarify how to classify debts and other short or long term liabilities. In addition, the amendments also improve the information that an entity must provide when its right to defer the extinguishing of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants).
- On 22 September 2022, the IASB published an amendment called **"*Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback".*** The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use.
- On 25 May 2023, the IASB published an amendment entitled ***"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements".*** The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk.

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

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

At the reference date of this document, the competent bodies of the European Union had not yet completed the endorsement process necessary for the adoption of the amendments and principles described below.

- On 15 August 2023, the IASB published **"*Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*".** This amendment requires an entity to adopt a methodology to be applied in a consistent manner in order to verify whether one currency can be converted into another and clarifies, when this is not possible, how to determine the exchange rate to be used and the disclosure to be provided in the notes to the financial statements. The amendments will apply from 1 January 2025, but early adoption is permitted.
- On 9 April 2024, the IASB published a new standard ***IFRS 18 Presentation and Disclosure in Financial Statements*** that will replace IAS 1 *Presentation of Financial Statements*. The new standard aims to improve the presentation of the main financial statements and introduces important changes with regard to the income statement. In particular, the new principle requires the following:
    - Classify revenues and expenses into three new categories (operating, investing and financing), in addition to the income taxes and discontinued operations categories already present;
    - Present two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT).

The new standard also:

- Requires greater disclosure on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information; and
- introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some line items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will come into force on 1 January 2027, but earlier application is permitted.

- On 30 May 2024, the IASB published ***'Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7'.*** The document clarifies a number of problematic issues that arose from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:
  - clarify the classification of financial assets with variable returns and which are linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
  - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date if certain specific conditions are met.

  With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated at FVOCI.
  The amendments will apply starting from financial statements for financial years commencing on or after 1 January 2026.

The Group will adopt these new standards, amendments and interpretations, based on the application date indicated, and will evaluate potential impact, when the standards, amendments and interpretations are endorsed by the European Union.

- E - SEGMENT REPORTING

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

Information by business areas

Income statement

In thousands of Euros	*Property and holding sector*	*Industrial sector*	*Marine sector*	*Immsi Group*
Net sales to third parties	1,115	990,298	22,356	1,013,769
NET REVENUES	**1,115**	**990,298**	**22,356**	**1,013,769**
OPERATING INCOME (EBIT)	**-4,818**	**104,094**	**-4,173**	**95,103**
Income/(loss) from investments	0	-667	0	-667
Financial income				7,452
Borrowing costs				46,679
PROFIT BEFORE TAX				**55,209**
Taxes				23,020
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS				**32,189**
Gain (loss) from assets held for sale or disposal				0
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS				**32,189**
Earnings for the period attributable to non-controlling interests				20,703
GROUP PROFIT (LOSS) FOR THE PERIOD				**11,486**

Statement of Financial Position

In thousands of Euros	*Property and holding sector*	*Industrial sector*	*Marine sector*	*Immsi Group*
Segment assets	267,296	2,113,040	153,774	2,534,110
Investments in affiliated companies	0	226	18	244
TOTAL ASSETS	**267,296**	**2,113,266**	**153,792**	**2,534,354**
TOTAL LIABILITIES	**297,400**	**1,670,043**	**155,808**	**2,123,251**

Other information

In thousands of Euros	*Property and holding sector*	*Industrial sector*	*Marine sector*	*Immsi Group*
Investments in property, plant and equipment and intangible assets	**4,110**	**77,313**	**5,522**	**86,945**
Depreciation, amortisation and write-downs	**833**	**71,016**	**556**	**72,405**
Cash flow from operating activities	**-13,726**	**133,216**	**-8,062**	**111,428**
Cash flow from investing activities	**5,356**	**-74,688**	**-5,507**	**-74,839**
Cash flow from financing activities	**1,539**	**86,043**	**8,473**	**96,055**

For comparability, the corresponding tables referring to 30 June 2023 are shown below:

Income statement

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

Statement of Financial Position

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

Other information

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

Information by geographic segments

The following table presents the Group revenues and investments for the first half of 2024 in relation to the geographic segments "of origin", that is, with reference to the country of the company which received the revenues or which owns the assets.

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

In thousands of Euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Net sales to third parties	**609,385**	**32,927**	**169,596**	**60,588**	**141,273**	**1,013,769**
Investments in property, plant and equipment and intangible assets	**74,841**	**20**	**8,225**	**163**	**3,696**	**86,945**

For comparability, the corresponding table referring to 30 June 2023 is shown below:

In thousands of Euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Net sales to third parties	**676,608**	**28,238**	**168,118**	**83,255**	**231,220**	**1,187,439**
Investments in property, plant and equipment and intangible assets	**53,017**	**34**	**12,524**	**63**	**5,287**	**70,925**

- F - INFORMATION ON THE MAIN ASSET ITEMS

Amounts are stated in thousands of Euro unless otherwise indicated.

- F1 - INTANGIBLE ASSETS 936,601

Net intangible assets as at 30 June 2024 amounted to €936,601 thousand, up by €14,446 thousand compared to 31 December 2023. Investments made during the half year, mainly by the Piaggio group, were partially offset by amortisation. Increases mainly refer to the capitalisation of development costs and know-how for new products and new engines, as well as the purchase of software.
During the first half of 2024, financial costs for €2,790 thousand were capitalised.
Changes in this item are presented below:

In thousands of Euros	***Development costs***	***Concessions, patents, industrial and similar rights***	***Trademarks and licences***	***Goodwill***	***Other intangible assets***	***TOTAL***
Gross amounts at 31 December 2022	**471,083**	**623,137**	**190,862**	**625,421**	**12,592**	**1,923,095**
Increases	22,214	22,756	0	0	121	45,091
Other movements	(1,670)	(167)	0	0	(259)	(2,096)
Gross amounts at 30 June 2023	**491,627**	**645,726**	**190,862**	**625,421**	**12,454**	**1,966,090**
Accumulated amortisation at 31 December 2022	**361,355**	**480,395**	**161,450**	**11,439**	**11,119**	**1,025,758**
Amortisation	17,158	23,676	33	0	106	40,973
Write-downs	0	0	0	0	0	0
Other changes	(1,225)	(124)	0	0	(139)	(1,488)
Accumulated amortisation at 30 June 2023	**377,288**	**503,947**	**161,483**	**11,439**	**11,086**	**1,065,243**
Net amounts at 30 June 2023	**114,339**	**141,779**	**29,379**	**613,982**	**1,368**	**900,847**
Gross amounts at 31 December 2023	**510,086**	**685,192**	**190,862**	**625,421**	**12,421**	**2,023,982**
Increases	22,117	29,227	0	0	56	51,400
Other movements	364	5,367	0	0	(4,829)	902
Gross amounts at 30 June 2024	**532,567**	**719,786**	**190,862**	**625,421**	**7,648**	**2,076,284**
Accumulated amortisation at 31 December 2023	**391,807**	**526,236**	**161,516**	**11,439**	**10,829**	**1,101,827**
Amortisation	15,510	22,188	33	0	129	37,860
Write-downs	0	0	0	0	0	0
Other changes	(83)	4,611	0	0	(4,532)	(4)
Accumulated amortisation at 30 June 2024	**407,234**	**553,035**	**161,549**	**11,439**	**6,426**	**1,139,683**
Net amounts at 30 June 2024	**125,333**	**166,751**	**29,313**	**613,982**	**1,222**	**936,601**

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

Development costs

Development costs of €125,333 thousand mainly include costs for products and engines in projects for which there is an expectation for the period of the useful life of the asset to see net sales at such a level as to allow the recovery of the costs incurred. This item includes assets under construction for €58.8 million which instead represent costs for which the conditions for capitalisation exist, but refer to products that will go into production in future years.

With regard to the Piaggio group, during the first half of 2024, development costs of approximately €10.4 million were charged directly to the income statement.

Financial costs attributable to the development of products which require a considerable period of time to be realised are capitalised as a part of the cost of the actual assets. Development costs included under this item are amortised on a straight line basis over a period of 3 to 5 years, in consideration of their remaining useful life.

With reference to the marine sector, the item at 30 June 2024 includes investments in development projects, under intangible assets, net of amortisation, for €0.7 million.

Concessions, patents, industrial and similar rights

The net balance of this item, equal to €166,751 thousand as at 30 June 2024 including assets under construction for €83.7 million, mainly refers to the Piaggio group (€166.5 million). Increases for the period mainly refer to new calculation, design and production techniques and methodologies developed by the Piaggio group, referring to main new products in the 2024-2025 range. Costs for industrial patent and intellectual property rights are amortised over a period of three to five years, in consideration of their remaining useful life.

Trademarks and licences

Trademarks and licenses, amounting to €29,313 thousand, are broken down as follows:

In thousands of Euros	**At 30 June 2024**	**At 31 December 2023**	**Change**
Guzzi trademark	9,750	9,750	-
Aprilia trademark	19,158	19,158	-
Foton licence	402	433	(31)
Minor trademarks	3	5	(2)
Total Trademark	**29,313**	**29,346**	**(33)**

As they have an indefinite useful life as of 2021, the Moto Guzzi and Aprilia brands are no longer amortised but are subjected annually, or more frequently if specific events take place or changed circumstances indicate that the asset may have been affected by impairment, to identify impairment as provided for by IAS 36 - Impairment of Assets.
The Foton licence is amortised over a 10-year period expiring in 2031.

Goodwill

The goodwill registered by the Group is unchanged compared to 31 December 2023 and is broken down in the following table:

In thousands of Euros	
	Net Balance at *30.06.2024*
Acquisition of 100% of Piaggio & C. S.p.A. by Piaggio Holding N. BV (in 2003)	405,985
Acquisition of 2.81% of Piaggio & C. S.p.A. by Piaggio Holding N. BV (in 2006)	14,620
Acquisition of 31.25% of Piaggio Holding N. BV by Immsi S.p.A. (in 2003)	3,480
Acquisition of 5.23% of Piaggio & C. S.p.A. by Immsi S.p.A. (in 2004) / Sale of 2.32% of Piaggio & C. S.p.A. by Immsi S.p.A. in 2008	3,643
Acquisition of 17.7% of Piaggio Holding N. BV by Immsi S.p.A. (in 2004 and 2006)	64,756
Acquisition of 2.22% of Piaggio & C. S.p.A. by Immsi S.p.A. (in 2007 and 2008)	7,143
Acquisition of 100% of Aprilia S.p.A. by Piaggio & C. S.p.A. (in 2004)	79,705
Acquisition of 66.49% of Rodriquez Cantieri Navali S.p.A. by RCN Finanziaria S.p.A. (in 2004)	30,337
Acquisition of 33.51% of Rodriquez Cantieri Navali S.p.A. by RCN Finanziaria S.p.A. (in 2005)	2,001
Acquisition of 2.37% of RCN Finanziaria S.p.A. by Immsi S.p.A. (in 2007)	1,286
Other acquisitions / changes	1,026
TOTAL	**613,982**

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

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

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

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

When preparing the Condensed Financial Statements of the Immsi Group as at 30 June 2024, with reference to the *cash-generating units of* the **Piaggio Group**, the Directors, while still considering the plan approved by the Piaggio Group on 23 February 2024 to be valid, based on the performance in the first half of 2024, prepared an updated stress test on the recoverability of Goodwill. The sensitivity analyses were prepared by applying the deviations observed in the first half of the year to the plan flows (July 2024 - December 2027) on a constant basis, while keeping the WACC discount rate and the growth rate 'g' used at 31 December 2023 unchanged, as they were still consistent with the information currently observable on the market. These analyses did not reveal any impairment losses, also considering the extent of the existing cover as at 31 December 2023.

Also with reference to the goodwill of the cash generating unit Intermarine, the Immsi Group's management, considering the 2024-2028 forecast data approved by the subsidiary's Board of Directors on 13 March 2024 as still valid, and in light of the contract signed on 26 July 2024 by Intermarine S.p.A. and Leonardo S.p.A, as a temporary joint venture, with NAVARM for the supply of five New-Generation Coastal Minesweepers and related logistic support worth approximately €1.6 billion, of which Intermarine S.p.A.'s share is approximately €1.2 billion (values reflected in the forecast data approved as at 13 March 2024), also considering the extent of the existing cover as at 31 December 2023, did not identify any goodwill impairment indicators as at 30 June 2024; However, the analyses performed showed that the total discounted future cash flows of only the signed contracts currently in the portfolio are sufficient to guarantee the recoverability of the Net Capital Employed and the Goodwill of the Intermarine CGU as at 30 June 2024; Therefore, there was no need to update the impairment test conducted for the purposes of the consolidated financial statements as at 31 December 2023, thus confirming the relevant results.

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

In addition, it is reported that Immsi S.p.A.'s share as at 30 June 2024 presents a market capitalisation lower than the value of consolidated shareholders' equity; the Directors concluded that, as at 30 June 2024, there were no impairment losses to be recognised in the consolidated financial statements of the Immsi Group, based on the one hand on the results of the above-mentioned analyses with reference to the Piaggio group and Intermarine CGUs, and based on the other hand on the fair value measurements of the assets relating in particular to the company Is Molas, carried out by an independent expert appraiser as at 31 December 2023, which again showed a significant coverage arising from the difference between appraised values and book values.

- F2 - PROPERTY, PLANT AND EQUIPMENT **391,587**

Net property, plant and equipment as at 30 June 2024 totalled €391,587 thousand, including assets under construction for approximately €32.7 million, compared to €376,055 thousand as at 31 December 2023, and comprise assets mainly recognised by the Piaggio group for €323.5 million, Intermarine S.p.A. for €31.4 million, and Is Molas S.p.A. for €34.9 million.

The following table details this item:

In thousands of Euros	*Land*	*Buildings*	*Plant and machinery*	*Industrial and commercial equipment*	*Assets to be given free of charge*	*Other assets*	*TOTAL*
Gross amounts at 31 December 2022	**56,345**	**266,073**	**568,728**	**545,406**	**16,532**	**85,846**	**1,538,930**
Increases	0	8,550	12,329	3,956	278	6,314	31,427
Decreases	0	(1,464)	(9,075)	(189)	0	(417)	(11,145)
Other movements	79	(1,076)	186	71	0	(702)	(1,442)
Gross amounts at 30 June 2023	**56,424**	**272,083**	**572,168**	**549,244**	**16,810**	**91,041**	**1,557,770**
Accumulated depreciation at 31 December 2022	**0**	**133,954**	**449,092**	**501,773**	**15,276**	**69,167**	**1,169,262**
Depreciation	0	7,312	11,895	8,511	88	6,036	33,842
Write-downs	0	(91)	0	0	0	0	(91)
Utilisation	0	(1,041)	(9,067)	(1,073)	0	0	(11,181)
Other changes	0	(231)	1,116	940	0	(1,002)	823
Accumulated depreciation at 30 June 2023	**0**	**139,903**	**453,036**	**510,151**	**15,364**	**74,201**	**1,192,655**
Net amounts at 30 June 2023	**56,424**	**132,180**	**119,132**	**39,093**	**1,446**	**16,840**	**365,115**
Gross amounts at 31 December 2023	**56,106**	**279,878**	**567,306**	**552,388**	**16,990**	**96,540**	**1,569,208**
Increases	160	20,060	13,996	6,209	108	7,478	48,011
Decreases	(24)	(1,189)	(85)	0	0	(892)	(2,190)
Other movements	(219)	(39)	5,678	(27)	0	267	5,660
Gross amounts at 30 June 2024	**56,023**	**298,710**	**586,895**	**558,570**	**17,098**	**103,393**	**1,620,689**
Accumulated depreciation at 31 December 2023	**0**	**142,329**	**442,940**	**516,000**	**15,454**	**76,430**	**1,193,153**
Depreciation	0	7,241	11,612	8,151	89	6,114	33,207
Write-downs	0	0	0	0	0	0	0
Utilisation	0	(808)	(28)	(269)	0	0	(1,105)
Other changes	0	(539)	4,750	233	0	(597)	3,847
Accumulated depreciation at 30 June 2024	**0**	**148,223**	**459,274**	**524,115**	**15,543**	**81,947**	**1,229,102**
Net amounts at 30 June 2024	**56,023**	**150,487**	**127,621**	**34,455**	**1,555**	**21,446**	**391,587**

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

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

With reference to the Piaggio group, the increases in the first half of 2024 mainly relate to moulds for new vehicles launched during the period.
Financial costs attributable to the construction of assets which require a considerable period of time to be ready for use are capitalised as a part of the cost of the actual assets. During the first half of 2024, borrowing costs of €338 thousand were capitalised in the Piaggio group.

With reference to Intermarine S.p.A., it should be noted that the increases in the first half of 2024 amounting to approximately €10.2 million refer to the expansion of the Sarzana production site necessary to guarantee the execution of the important job order with the Italian Navy, previously commented on in the section "Subsequent events and operating outlook".
With reference to the tourist-hotel site managed by Is Molas S.p.A., it should be noted that during the first half of 2024, important extraordinary maintenance, energy efficiency and renovation works on the existing structures were carried out, with investments of approximately €7.1 million.

Property, plant and equipment as at 30 June 2024 included approximately €1,555 thousand relative to freely transferable assets attributable to Intermarine, comprising light constructions, buildings and relative renovation costs, built on state-owned land in the Municipality of Messina. Buildings built on state-owned land are depreciated based on the remaining duration of the concession (expiring in 2028). These assets, held because of a concession agreement, at its expiry, must be freely and in a perfect state of operation transferred to the granting body.

Rights of use

Rights of use, which refer to operating leases, finance leases and prepaid rent for the use of property are included in the individual categories to which they refer.
The Group has stipulated rental/hire contracts for offices, plants, warehouses, company accommodation, cars and forklift trucks. The rental/lease agreements are typically for a fixed duration, but extension options are possible.
The Group opted to use the optional exemption provided for by IFRS16 for low-value and short-term lease agreements.

The changes in the first half of 2024 are detailed below:

In thousands of Euros	*Land*	*Buildings*	*Plant and machinery*	*Industrial and commercial equipment*	*Assets to be given free of charge*	*Other assets*	*TOTAL*
Gross amounts at 31 December 2023	**0**	**55,468**	**12,839**	**1,936**	**1,110**	**12,901**	**84,254**
Increases	0	3,809	0	0	0	989	4,798
Decreases	0	(520)	0	0	0	(37)	(557)
Other movements	0	(301)	0	0	0	(17)	(318)
Gross amounts at 30 June 2024	**0**	**58,456**	**12,839**	**1,936**	**1,110**	**13,836**	**88,177**
Accumulated depreciation at 31 December 2023	**0**	**28,394**	**6,420**	**731**	**632**	**8,859**	**45,036**
Depreciation	0	3,838	428	207	40	944	5,457
Utilisation	0	(269)	0	0	0	(36)	(305)
Other changes	0	(566)	0	0	0	3	(563)
Accumulated depreciation at 30 June 2024	**0**	**31,397**	**6,848**	**938**	**672**	**9,770**	**49,625**
Net amounts at 30 June 2024	**0**	**27,059**	**5,991**	**998**	**438**	**4,066**	**38,552**

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

	1st half of 2024
Depreciation of rights of use	5,457
Financial charges for rights of use	944
Rental payments (not IFRS 16)	8,948

In the first half of 2024 leases subject to IFRS 16 resulted in a cash outflow of €5,464 thousand, while the commitments for lease payments falling due amounted to €32,271 thousand, as detailed in the Financial Liabilities section.

Guarantees

As at 30 June 2024, the Group had land and property encumbered by mortgages or pledges in favour of financial institutions to guarantee bank borrowings. For more information, reference is made to the Annual Report of the Immsi Group as at 31 December 2023, in the section on "Commitments, risks and guarantees".

- F3 - EQUITY INVESTMENTS 7,922

The table below details the item Equity investments as at 30 June 2024:

In thousands of Euros	*Balance at 31.12.2023*	*Increases*	*Decreases*	*Reversals / Write-downs*	*Reclassifications / Exchange differences*	*Balance at 30.06.2024*
Equity investments in subsidiaries	10	0	0	0	0	10
Equity investments in affiliated companies and joint ventures	8,492	0	0	(667)	87	7,912
TOTAL	**8,502**					**7,922**

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

Main financial data of the joint venture

Zongshen Piaggio Foshan Motorcycle Co.		**Accounts at 30 June 2024**		**Accounts at 31 December 2023**
(in thousands of Euros)		45% *		45% *
Intangible assets	344	155	377	169
Property, plant and equipment	6,528	2,938	7,441	3,349
Rights of use	2,490	1,121	2,526	1,137
Trade receivables	8,546	3,846	7,044	3,170
Other receivables	2,404	1,082	2,315	1,042
Tax receivables	119	53	343	154
Inventories	5,774	2,598	8,440	3,798
Cash and cash equivalents	2,287	1,029	2,745	1,235
TOTAL ASSETS	**28,492**	**12,822**	**31,232**	**14,054**
Shareholders' equity	**18,669**	**8,401**	**20,334**	**9,150**
Financial liabilities	3,859	1,737	4,567	2,055
Trade payables	4,904	2,207	5,419	2,438
Other funds	284	128	281	127
Retirement funds and employee benefits	193	87	298	134
Tax payables	101	45	196	88
Other payables	482	217	136	61
Total liabilities	**9,823**	**4,421**	**10,898**	**4,904**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**28,492**	**12,822**	**31,232**	**14,054**

Shareholders' equity attributable to the Group	8,401	9,150
Elimination of margins on internal transactions	(733)	(888)
Value of the investment	**7,668**	**8,262**

Statement of changes and reconciliation of Shareholders' Equity

In thousands of Euros	
Opening balance at 1 January 2024	**8,262**
Profit (Loss) for the period	(836)
Statement of Comprehensive Income	87
Elimination of margins on internal transactions	155
Closing balance at 30 June 2024	**7,668**

The item Investments includes other investments in associates for €244 thousand, the corresponding equity value of which has increased by €14 thousand compared to 31 December 2023.

- F4 - OTHER FINANCIAL ASSETS **16**

- Non-current portion

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

Non-current financial assets also include the investment held in Alitalia – CAI by Immsi S.p.A., which has remained unchanged compared to 31 December 2023 at 2.18%. Considering events relating to the airline and in particular the compulsory administration ordered in May 2017 and the full write-down of the investment in Alitalia – SAI by Alitalia – CAI, Group management decided to reset the carrying amount.

- Current portion

At 30 June 2024, the Immsi Group did not hold Other current financial assets, whereas at 31 December 2023, this line item recorded the amount of €13,075 thousand.
At 31 December 2023, the item was represented for €6,205 thousand (recognised by the Piaggio Group) by an asset deriving from the portion of public grants recognised and receipted by the Indian Government for the sale of electric vehicles, which was collected in early January 2024, and for €6,869 thousand by the equivalent value of 279,639 Unicredit S.p.A. shares held by Immsi S.p.A. and sold on the market during the first quarter of 2024. As provided for by IFRS 9, the Group measured at fair value the equity package at the date of the sale, recognising the adjustment of €2,597 thousand, an increase compared to the end of 2023, in other Comprehensive Income (Expense).

- F5 - TAX RECEIVABLES **31,850**

Current and non-current tax receivables total €31,850 thousand, up by €1,359 thousand compared to the end of 2023, due mainly to higher current VAT receivables recognised by the Piaggio group and by Is Molas S.p.A..

- Non-current portion

In thousands of Euros	Balance at 30.06.2024	Balance at 31.12.2023
VAT receivables	281	283
Income tax receivables	7,082	6,073
Other tax receivables	1,248	3,333
TOTAL	**8,611**	**9,689**

- Current portion

In thousands of Euros	Balance at 30.06.2024	Balance at 31.12.2023
VAT receivables	13,119	10,292
Income tax receivables	4,136	6,226
Other tax receivables	5,984	4,284
TOTAL	**23,239**	**20,802**

- F6 - DEFERRED TAX ASSETS **129,943**

Deferred tax assets as at 30 June 2024 amounted to €129,943 thousand, a decrease of approximately €11.5 million compared to 31 December 2023. The portion expected to be reversed within 12 months amounts to €7,041 thousand, while the portion expected to be reversed beyond 12 months amounts to €122,902 thousand. These figures are recorded net of deferred tax liabilities of a similar nature and maturity.
Deferred tax assets have been recorded by the Piaggio group for €58.9 million, €33.9 million by the subsidiary Intermarine S.p.A., and €20.4 million by the subsidiary Is Molas S.p.A.. The remaining amount of €16.8 million refers to other companies in the property and holding sector.

As part of measurements to define deferred tax assets, the Group mainly considered: i) the tax regulations of the different countries in which it is present; ii) their impact in terms of timing differences and any tax benefits deriving from the use of prior tax losses; iii) the tax rate in force in the year in which the temporary differences will be paid iv) the expected taxable income in a medium to long term perspective for each individual company belonging to the Immsi Group and its economic and fiscal impacts; v) National Fiscal Consolidation agreements and plans over a six-year time horizon (until 2028), for those companies, including the Parent Company, that adhere to them; and (vi) as well as results from fair value measurements for certain Group assets.
Based on a prudential approach, it was decided to not wholly recognise the tax benefits arising from losses that can be carried over and from temporary differences. For details of unrecognised deferred tax assets, please refer to the notes to the financial statements as at 31 December 2023.

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

- F7 - TRADE RECEIVABLES AND OTHER RECEIVABLES 232,876

Trade receivables and other receivables included under non-current assets total €21,096 thousand (net of the corresponding provisions for write-down of €1,242 thousand), against €19,743 thousand as at 31 December 2023.

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

In thousands of Euros	*Balance at 30.06.2024*	*Balance at 31.12.2023*
Trade receivables	137,529	63,007
Receivables due from parent companies	13	1
Amounts due from joint ventures	998	971
Other receivables	73,240	63,887
TOTAL	**211,780**	**127,866**

Current third party trade receivables amounted to €211,780 thousand as at 30 June 2024, an increase of around €83,914 thousand compared to the value recorded as at 31 December 2023: as already mentioned, the increase in this value is mainly linked to the seasonality of Piaggio group sales, which are mainly concentrated in the spring and summer months.
The item Trade receivables comprises amounts due from normal sales transactions, stated net of a provision for write-downs of €35,316 thousand, down by €224 thousand compared to 31 December 2023.

The balance of receivables from joint ventures (equal to €998 thousand as at 30 June 2024) refers to receivables from Zongshen Piaggio Foshan Motorcycle Co. Ltd., as detailed in the statement of intercompany and related party transactions at the end of this document.

It should also be remembered that the Piaggio group transfers on a regular basis a large part of its trade receivables mainly with "without recourse" and "with recourse" clauses. Piaggio has signed contracts with some of the most important Italian and foreign factoring companies as a move to optimise the monitoring and the management of its trade receivables, besides offering its customers an instrument for funding their own inventories, for factoring classified as without the substantial transfer of risks and benefits. On the contrary, for factoring without recourse, contracts have been formalised for the substantial transfer of risks and benefits. At 30 June 2024, trade receivables not yet due and assigned without recourse totalled €216,114 thousand.
Of these amounts, Piaggio received payment prior to natural expiry of €184,934 thousand.
At 30 June 2024, advances received – both from factoring firms and from banks – on "with recourse" disposals of trade receivables totalled €21,390 thousand and are offset in current liabilities.

Other receivables mainly include advances to suppliers of €10,489 thousand, largely recorded by the subsidiary Intermarine S.p.A., accrued income and prepaid expenses for a total of €26,174 thousand, and the fair value of forex risk hedging on forecast transactions and on commodities and interest rate swap risk hedging accounted for by Piaggio using the cash flow hedge principle for €2,463 thousand.
The item Other receivables includes €16,616 thousand (€17,838 thousand as at 31 December 2023) of the receivable accrued by the Indian subsidiary for the reimbursement of the eco-incentive on electric vehicles directly recognised by the manufacturer for the end customer, the settlement of which has not yet been authorised by the competent authorities. The electric mobility incentive scheme currently in place in India provides for the end customer to benefit from the subsidy at the time of purchase and that the same subsidy is recovered by the manufacturer upon presentation of

the necessary documentation to the Ministry. Other receivables also include €4,054 thousand (€5,254 thousand as at 31 December 2023) relating to a receivable for the grant by the Indian Government on investments made in previous years. The revenue associated with this receivable is recognised in the income statement in proportion to the depreciation of the assets on which the grant was made. The recognition of these amounts is supported by appropriate documentation received from the Government of India, certifying that the entitlement has been recognised and therefore that collection is reasonably certain.

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

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

In thousands of Euros	*Balance at 31.12.2023*	*Increases*	*Decreases*	*Balance at 30.06.2024*
Contract work in progress gross of advances	**44,486**	16,658	0	**61,144**
Contractual advances received from customers	44,780			46,415
Contract work in progress net of advances	**(294)**			**14,729**
Costs sustained	26,889			53,021
Margins recognised (net of losses)	6,205			8,611

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

At 30 June 2024, no assets and liabilities related to assets held for disposal had been recognised.

- F9 - INVENTORIES 476,500

At 30 June 2024, inventories, measured at the lower of cost and market value, amounted to €476,500 thousand, up by approximately €36.8 million compared to 31 December 2023 and break down as follows:

In thousands of Euros	*Balance at 30.06.2024*			*Balance at 31.12.2023*		
	Cost	*Write-down*	*Net*	*Cost*	*Write-down*	*Net*
Consumables	110	0	110	65	0	65
Raw materials	198,130	(22,321)	175,809	186,632	(20,653)	165,979
Work in progress and semi-finished products	122,090	(14,415)	107,675	140,187	(16,267)	123,920
Finished products	213,019	(20,113)	192,906	170,800	(21,105)	149,695
TOTAL	**533,349**	**(56,849)**	**476,500**	**497,684**	**(58,025)**	**439,659**

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

At 30 June 2024, the Piaggio group recognised inventories, net of provisions for write-down, of €370,165 thousand relating to components, accessories, and two-, three- and four-wheeler vehicles. The increase shown above, compared to 31 December 2023, is mainly attributable to the Industrial sector, as in order to face possible component *shortages*, in the event the situation in the Red Sea were to worsen, the Piaggio group decided to increase stock levels.
Intermarine S.p.A. contributed €39,243 thousand, mainly concerning raw materials and products in progress for prototypes, own construction and repairs. Finally, Is Molas S.p.A. recorded €67,092

thousand of inventories at the half-year end, including financial expenses and capitalised employee costs, relating to the hotel business, as well as work in progress and semi-finished products represented by land, volumes, costs for services and consultancy for the property development project relating to the allotment located in Is Molas - Cagliari.

- F10 - CASH AND CASH EQUIVALENTS 327,059

Cash and cash equivalents at the end of the period totalled €327,059 thousand against €196,096 thousand at 31 December 2023, as detailed in the table below:

In thousands of Euros	*Balance at 30.06.2024*	*Balance at 31.12.2023*
Cash and cash equivalents	108	78
Receivable due from banks within 90 days	326,951	196,018
TOTAL	**327,059**	**196,096**

This item covers cash, current bank accounts, deposits refundable on demand and other short-term high-liquidity financial investments readily convertible into cash and subject to an insignificant risk of variation in value. For details of changes during the first half of 2024 in the item in question, reference is made to the Statement of Consolidated Cash Flows as at 30 June 2024.

The subsidiary Intermarine S.p.A. recognised approximately €1.4 million in term bank deposits for “green” investments under development.

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

In thousands of Euros	*Balance at 30.06.2024*	*Balance at 31.12.2023*
Cash and cash equivalents	327,059	196,096
Current account overdrafts	(16)	(2,544)
TOTAL	**327,043**	**193,552**

- G - INFORMATION ON THE MAIN LIABILITY ITEMS

Amounts are stated in thousands of Euro unless otherwise indicated.

- G1 - SHAREHOLDERS' EQUITY *411,103*

Shareholders' equity as at 30 June 2024 amounted to €411,103 thousand, of which €231,019 thousand relating to consolidated shareholders' equity attributable to the Group and €180,084 thousand to capital and reserves of non-controlling interests.

Share capital

As at 30 June 2024, the share capital of the parent company Immsi S.p.A., fully subscribed and paid up, is composed of 340,530,000 ordinary shares without par value, for a total of €178,464,000.00. As at 30 June 2024, Immsi S.p.A. did not hold any treasury shares.

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

Legal reserve

The legal reserve comprises reserves allocated following the distribution of profits for the year, in accordance with provisions of law and totalling €11,068 thousand at the end of June 2024, an increase of €824 thousand compared to 31 December 2023, as resolved by the parent company Immsi S.p.A., in the decision to allocate profit for 2023 approved by the Shareholders' Meeting on 29 April 2024.

Other reserves

Other reserves attributable to the Group totalled €68,701 thousand, up by €4,605 thousand compared to the figure as at 31 December 2023.
The details of the item "Other reserves" are shown below:

In thousands of Euros									
	Share premium reserve / share capital increase	***IAS transition reserve***	***Reserves as per Law No. 413/91***	***Legal reserves***	***Translation reserves***	***Reserve for actuarial gains (losses) relative to defined benefit plan***	***Financial instrument measurement reserve***	***Other changes in other reserves***	***Total other reserves***
Balances at 31 December 2023	***94,874***	***5,300***	***4,602***	***1,153***	***(25,865)***	***(5,411)***	***(25,436)***	***14,879***	***64,096***
Other changes						0	5,398	(5,213)	185
Overall earnings for the period					906	356	3,158		4,420
Balances at 30 June 2024	***94,874***	***5,300***	***4,602***	***1,153***	***(24,959)***	***(5,055)***	***(16,880)***	***9,666***	***68,701***

The share premium reserve includes the consideration of shares underwritten following the increase in share capital of Immsi S.p.A. in 2005 and 2006, net of uses to cover losses for €342 thousand, for a total net amount of €94,874 thousand.
Other reserves included the reserve created by the transition to international accounting standards made by the Group on 1 January 2004, totalling €5,300 thousand at the end of June 2024 and unchanged since 31 December 2023. For more details, reference is made to the Financial Statements as at 31 December 2005, available on the website www.immsi.it.
The reserve for the measurement of financial instruments was negative by €16,880 thousand, mainly due to: the recognition in the statement of comprehensive income of the fair value adjustment of equity financial instruments held by the Parent Company, such as the investment in Alitalia - CAI, equal to a negative €14,778 thousand, and the fair value measurement of hedging derivatives designated as a Cash Flow Hedge held by both the Parent Company and the Piaggio Group. At 31 December 2023, this provision also included the fair value adjustment of the 279,639 Unicredit shares held by the Parent Company, which were sold on the market in the first quarter of 2024, for a negative €7,995 thousand. As provided for by IFRS 9, the Group measured at fair value *the equity package at the date of the sale, recognising the adjustment of €2,597 thousand, an increase compared to the end of 2023, in other Comprehensive Income (Expense). At the date the shares were sold, the remaining amount, a negative €5,398 thousand was reclassified to retained earnings reserves.*

Retained earnings

Losses carried forward total €38,701 thousand and represent the accumulated losses of the Group.

Capital and reserves of non-controlling interests

As at 30 June 2024 the balance of share capital and reserves attributable to non-controlling interests totalled €180,084 thousand, an increase of €13,656 thousand compared to 31 December 2023.

Statement of Comprehensive Income

As at 30 June 2024, the overall result for the period showed a profit of €38,340 thousand, of which €22,434 thousand pertaining to minority interests, including net positive components that cannot be reclassified in future to the income statement for a total of €3,282 thousand, mainly due to the fair value adjustment of equity instruments held by the Parent Company, as well as net positive components which can be reclassified to the income statement for €2,869 thousand recorded mainly by the Piaggio group, essentially relating to translation gains and the effective portion of gains on cash flow hedges.

- G2 -	FINANCIAL LIABILITIES	1,151,897

Financial liabilities totalled €1,151,897 thousand as at 30 June 2024, up by €115,647 thousand compared to the value recorded as at 31 December 2023. The portion recorded under non-current liabilities came to €680,470 thousand, compared to €590,285 as at 31 December 2023, while the portion included in current liabilities came to €471,427 thousand, compared to €445,965 thousand at the end of 2023, of which details are shown below net of interest payable for a total of €7,031 thousand to minority shareholders of Group companies accrued on loans received.
As already stated, net financial debt, as defined by the Immsi Group, does not include financial assets and liabilities arising from the fair value measurement of financial derivatives used for hedging and otherwise, the fair value adjustment of related hedged items, financial liabilities referred to assets held for sale, related accruals and payables for interest expense accrued on loans received.

Therefore, as at 30 June 2024, the Immsi Group's net financial debt totalled €817.8 million, a decrease of approximately €9.6 million compared to 31 December 2023. The Group's net financial debt includes €408 million in the "Industrial" Sector (Piaggio group) and the remaining €409.8 million in the "Property and Holding" and "Marine" Sectors.

All financial liabilities are measured in accordance with accounting standards and based on the amortised cost method (except for liabilities with hedging derivatives measured at Fair Value Through Profit & Loss, for which the same measurement criteria used for the derivative are applied). According to this method, the nominal amount of the liability is decreased by the amount of relative costs of issue and/or stipulation, in addition to any costs relating to refinancing of previous liabilities. The amortisation of these costs is determined on an effective interest rate basis, and namely the rate which discounts the future flows of interest payable and reimbursements of principle at the net carrying amount of the financial liability.

The following table summarises the changes that occurred in the first half of 2024:

In thousands of Euros	***Net Balance at 31.12.2023***	***Movements***	***Repayments***	***New issues***	***Reclassifications***	***Exchange delta***	***Other changes***	***Net Balance at 30.06.2024***
Liquidity	***(202,300)***	***(125,606)***				*847*	***0***	***(327,059)***
Payables due to banks for current account overdrafts	2,544		(2,544)	16	0	0	0	16
Payables due to banks within 12 months	253,435		(32,332)	71,849	(18,000)	0	(734)	274,218
Current portion of non-current financial debt	117,137		(49,160)	908	42,029	0	38	110,952
Current payables to banks	*373,116*	*0*	*(84,036)*	*72,773*	*24,029*	*0*	*(696)*	*385,186*
Financial liabilities for rights of use	10,629		(5,904)		4,313	0	937	9,975
Amounts due to other lenders	55,797		(7,987)	21,390	35	0	0	69,235
Current financial debt	***439,542***	***0***	***(97,927)***	***94,163***	***28,377***	***0***	***241***	***464,396***
Net current financial debt	***237,242***	***(125,606)***	***(97,927)***	***94,163***	***28,377***	*847*	***241***	**137,337**
Non-current payables to banks	322,567		(75)	113,226	(24,029)	0	243	411,932
Bonds	245,900		0	0	0	0	233	246,133
Financial liabilities for rights of use	21,548		440		(4,313)	220	4,401	22,296
Amounts due to other lenders	106		0	0	(35)	0	0	71
Non-current financial debt	***590,121***	***0***	***365***	***113,226***	***(28,377)***	***220***	***4,877***	***680,432***
NET FINANCIAL DEBT	**827,363**	***(125,606)***	**(97,562)**	**207,389**	**0**	**1,067**	**5,118**	**817,769**

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

- Non-current portion

In thousands of Euros	Balance at 30.06.2024	Balance at 31.12.2023
Bonds	246,133	245,900
Payables due to banks	411,932	322,567
Financial liabilities for rights of use	22,296	21,548
Amounts due to other lenders	71	106
TOTAL	**680,432**	**590,121**

- Current portion

In thousands of Euros	Balance at 30.06.2024	Balance at 31.12.2023
Payables due to banks	385,186	373,116
Financial liabilities for rights of use	9,975	10,629
Amounts due to other lenders	69,235	55,797
TOTAL	**464,396**	**439,543**

The composition of gross financial debt, as defined by the Immsi Group, is as follows:

In thousands of Euros	Balance at 30.06.2024	Balance at 31.12.2023	Nominal value at 30.06.2024	Nominal value at 31.12.2023
Bonds	246,133	245,900	250,000	250,000
Payables due to banks	797,118	695,683	800,183	698,365
Amounts due for finance leases	0	0	0	0
Financial liabilities for rights of use	32,271	32,177	32,271	32,181
Amounts due to other lenders	69,306	55,904	69,306	55,904
TOTAL	**1,144,828**	**1,029,664**	**1,151,760**	**1,036,450**

The following schedule shows the repayment plan for the gross financial debt of the Immsi Group as at 30 June 2024:

In thousands of Euros	Nominal value at 30.06.2024	Portions falling due in 1 year	Portions falling due From 1 to 2 years	Portions falling due from 2 to 3 years	Portions falling due from 3 to 4 years	Portions falling due from 4 to 5 years	Portions falling due after 5 years
Bonds	250,000	0	0	0	0	0	250,000
Payables due to banks	800,183	385,482	111,997	141,650	64,995	50,301	45,758
Financial liabilities for rights of use	32,271	9,975	9,506	7,231	2,069	287	3,203
Amounts due to other lenders	69,306	69,235	71	0	0	0	0
TOTAL	**1,151,760**	**464,692**	**121,574**	**148,881**	**67,064**	**50,588**	**298,961**

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

In thousands of Euros	Balance at 31.12.2023	Balance at 30.06.2024	Nominal value at 30.06.2024	Interest rate at 30.06.2024
Euros	967,756	1,026,539	1,033,471	6.50%
Vietnamese Dong	17,570	69,813	69,813	3.42%
Japanese Yen	3,070	2,792	2,792	2.63%
Swiss Franc	4,636	7,089	7,089	3.49%
Indonesian Rupiah	0	257	257	7.60%
Singapore Dollar	4,455	4,479	4,479	4.99%
US Dollar	0	1,588	1,588	7.00%
TOTAL	**997,487**	**1,112,557**	**1,119,489**	**6.27%**

Amounts due to banks mainly include the following loans:

Immsi S.p.A.

- a loan from Bper Banca for a nominal amount of €10 million expiring on 31 December 2025, secured by a pledge on Piaggio shares up to a Collateral Value, and with a benchmark rate equal to the Euribor increased by a spread. The agreements provide for repayment in six-monthly instalments and are accounted for using the amortised cost method, amounting to €3,799 thousand, of which €2,535 thousand for instalments repayable within 12 months. This line of credit has two covenants, to be verified at 31 December of each year. To hedge the risk of interest rate fluctuations on cash flows, Immsi S.p.A. entered into an Interest Rate Swap (IRS) hedging agreement that provides for the transformation of the variable rate into a fixed rate on the entire nominal value of the related loan;
- a medium-term loan granted in September 2021 by Bper Banca (formerly Banca Carige) expiring in September 2026 for a nominal €4 million, amortised in quarterly instalments and guaranteed by a pledge on Piaggio shares up to the Value to Loan. This loan provides for a reference rate equal to the Euribor plus one *spread* and is recognised at amortised cost at the end of June 2024 for €1,846 thousand, of which €812 thousand for instalments repayable in the next 12 months;
- a credit line granted until December 2025 by Banca Nazionale del Lavoro for a nominal amount of €22.5 million, guaranteed by a pledge on Piaggio shares up to a Guarantee Value and accounted for at amortised cost for €22,376 thousand. This line has a benchmark rate equal to the variable Euribor plus a spread. Moreover, it provides for a minimum Piaggio share price and compliance with two covenants, to be verified at 31 December of each year;
- a credit line amortised with Istituto Monte dei Paschi di Siena for a nominal total of €15 million, expiring in December 2028 and secured by a pledge on Piaggio shares up to a Guarantee Value. The agreements have a benchmark rate equal to the Euribor plus a spread and a covenant to verify at 31 December each year. The loan is recognised according to the amortised cost equal to €13,316 thousand, of which €3 million for instalments repayable within 12 months;
- credit lines, renewed in February 2024 and expiring in January 2025 with Intesa Sanpaolo for €15 and €25 million, besides a Bullet – Multi Borrower line with Intesa Sanpaolo, currently granted for €120 million, of which €77.7 million to Immsi S.p.A., €30 million to ISM Investimenti S.p.A. and €12.3 million to Intermarine S.p.A. and two credit lines granted (former UBI Banca), of €5 million each. These loans, guaranteed by a pledge on Piaggio shares up to a Collateral Value, have a benchmark rate equal to the Euribor increased by a spread;
- a revolving credit line of €20 million granted in December 2023 by Unicredit and used as at 30 June 2024 for €12 million, at a rate equal to the variable Euribor plus a spread, expiring at the end of 2024 and guaranteed by a pledge on Piaggio shares up to a Collateral Value.

The credit line is recognised at amortised cost for €11,932 thousand. The agreements provide for a covenant to be verified quarterly;

- an amortised credit line granted in June 2023 by Banco BPM for a nominal amount of €20 million expiring at the end of June 2026. The credit line granted, guaranteed by a pledge on Piaggio shares up to a Guarantee Value, has a benchmark rate equal to the Euribor plus a spread and was recognised at amortised cost at June 2024 for a total of €15,952 thousand, of which €8 million repayable within 12 months. This line has two covenants, to be verified at 31 December of each year. To hedge the risk of interest rate fluctuations on cash flows, Immsi S.p.A. entered into an Interest Rate Swap (IRS) hedging agreement that provides for the transformation of the variable rate into a fixed rate on 50% of the entire nominal value of the related loan;
- a bullet loan granted by ING Bank in December 2020, initially falling due in January 2024 and further extended in January until the end of July 2025 for €10 million, with a benchmark rate equal to the Euribor plus a spread, secured by a pledge on Piaggio shares up to a Guarantee Value. The loan is accounted for using the amortised cost method for €9,964 thousand. This line has a debt covenant;
- a loan from Banca IFIS for a nominal amount of €10 million expiring at the end of June 2027, secured by a pledge on Piaggio shares up to a Collateral Value, with a benchmark rate equal to the Euribor increased by a spread. The agreement provides for the repayment of constant quarterly instalments, and is recognised according to the amortised cost method, equal to €8,542 thousand, of which €2,857 thousand for instalments repayable within 12 months. This loan has two covenants, to be verified at 31 December of each year;
- two medium-term loans granted in May 2021 and in January 2023 by Banca Popolare di Sondrio for a nominal amount of €5 million each, expiring in June 2026 and February 2026, with amortisation plans based on quarterly instalments, a benchmark rate equal to the Euribor plus a spread and is recognised at amortised cost at 30 June 2024 for €4,838 thousand, of which €2,690 thousand or instalments repayable in the next 12 months;
- a medium-term loan granted in June 2024 by Cassa di Risparmio di Bolzano - Sparkasse for a nominal amount of €8 million expiring in June 2028, amortised in quarterly instalments and secured by a pledge on Piaggio shares up to a Collateral Value. This loan provides for a reference rate equal to the Euribor plus one spread and is recognised at amortised cost at the end of June 2024 for €7,968 thousand, of which €1,143 thousand for instalments repayable in the next 12 months. This line of credit also has two covenants, to be verified at 31 December of each year;
- a medium-term loan granted in July 2021 by MedioCredito Centrale - Banca del Mezzogiorno expiring in July 2026 for a nominal amount of €20 million, amortised in quarterly instalments and guaranteed by a pledge on Piaggio shares up to a Collateral Value. *This loan provides for a reference rate equal to the Euribor plus one spread* and is recognised at amortised cost at the end of June 2024 for €8,982 thousand, of which €4 million for instalments repayable in the next 12 months;
- two medium-term loans granted in July 2022 and May 2024 by Banco di Desio e della Brianza expiring in August 2026 and May 2029 for a nominal €12.5 million, amortised in half-yearly instalments and guaranteed by a pledge on Piaggio shares up to the Value to Loan. This loan provides for a benchmark rate equal to the Euribor plus one *spread* and is recognised at amortised cost at the end of June 2024 for €10,645 thousand, of which €2,578 thousand for instalments repayable in the next 12 months;
- a medium-term loan granted in September 2022 by BCC Carate Brianza expiring in September 2026 for a nominal €5 million, amortised in quarterly instalments and guaranteed by a pledge on Piaggio shares up to the Value to Loan. This loan provides for a reference rate equal to the Euribor plus one *spread* and is recognised at amortised cost at the end of June 2024 for €2,847 thousand, of which €1,255 thousand for instalments repayable in the next 12 months;

In October 2022, the parent company Immsi S.p.A. signed a medium-term loan with Santander Consumer Bank expiring at the end of 2025 for a nominal €15 million. This loan provides for a benchmark rate equal to the 2yrs Swap increased by a spread and was undrawn at 30 June 2024.
An additional €4.6 million related to a revolving credit line granted by Intesa Sanpaolo S.p.A. and €500 thousand granted by Bper Banca (formerly Banca Carige) were not used as at 30 June 2024.

Piaggio Group

- a €34,961 (nominal value €35,000) medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio group's Italian sites in the 2019-2021 period. The loan will mature in February 2027 and has a repayment schedule of 6 fixed-rate annual instalments. The contractual terms envisage loan covenants;
- a €20,000 thousand medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio group's Italian sites in the 2019-2021 period. The loan will mature in March 2028 and has a repayment schedule of 6 fixed-rate annual instalments. The contractual terms envisage loan covenants;
- a €59,908 (nominal value €60,000) medium-term loan granted by the European Investment Bank to support Research and Development projects for technologies applied to electric vehicles of the Piaggio group in the 2022-2025 period. The loan will mature in January 2033 and has a repayment schedule of 7 fixed-rate annual instalments with a two-year pre-amortisation;
- a revolving syndicated loan used for €3,505 thousand (nominal value of €5,000 thousand) for a total of €200,000 thousand expiring on 15 November 2027 (with a one-year extension at the borrower's discretion). The contractual terms envisage loan covenants;
- a €114,580 thousand (nominal value of €115,000 thousand) “Schuldschein” loan issued between October 2021 and February 2022 and subscribed by leading market participants. It consists of 7 tranches with maturities of 3, 5 and 7 years at fixed and variable rates;
- a €15,687 thousand medium-term loan (nominal value of €15,750 thousand) granted by Bper Banca. The loan will fall due on 31 December 2027 and has a repayment schedule of six-monthly instalments and covenants;
- a €9,974 loan (nominal value of €10,000) granted by Banco BPM with a repayment schedule of six-monthly instalments and last payment in July 2025. An Interest Rate Swap has been taken out on this loan to hedge the interest rate risk. The contractual terms envisage loan covenants;
- a medium-term loan of €26,000 thousand granted by Cassa Depositi e Prestiti to support Research and Development for technologies applied to electric vehicles for the 2022-2025 period, maturing on 30 April 2029;
- a €16,667 thousand medium-term loan granted by Cassa Depositi e Prestiti to support international growth in India and Indonesia. The loan has a duration of 5 years expiring on 30 August 2026. It entails a repayment plan with six-monthly instalments and a 12-month grace period. The contractual terms envisage loan covenants;
- a €1,992 thousand (nominal value €2,000 thousand) medium-term loan granted by Banca Popolare di Sondrio with maturity at 1 June 2026 and with a quarterly repayment schedule;
- a medium-term loan of €3,994 thousand (with a nominal value of €4,000 thousand) granted by Cassa di Risparmio di Bolzano, expiring on 30 June 2026 and with a quarterly repayment schedule. The contractual terms envisage loan covenants;
- a medium-term loan of €3,044 thousand (with a nominal value of €3,047 thousand) granted by Bper Banca (formerly Banca Carige), maturing on 31 December 2026 and with a quarterly repayment schedule;

- a medium-term loan of €14,984 thousand (with a nominal value of €15,000 thousand) granted by Oldenburgische Landensbank Aktiengesellschaft expiring on 30 September 2027. The contractual terms envisage loan covenants;
- a medium-term loan of €23,930 thousand (with a nominal value of €24,000 thousand) granted by Banca Nazionale del Lavoro expiring on 5 January 2027. An interest rate swap has been taken out on this loan to hedge the interest rate risk. The contractual terms envisage loan covenants.

Piaggio & C. S.p.A. also has the following revolving credit lines and loans unused at 30 June 2024:

- a revolving credit line of €10,000 thousand granted by Banca del Mezzogiorno expiring on 1 July 2026;
- a revolving credit line of €12,500 thousand granted by Bper Banca expiring on 2 August 2026.

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

Intermarine S.p.A.

- a loan granted by Intesa Sanpaolo for €12,300 thousand as part of the multi-line credit facility obtained by Immsi S.p.A., guaranteed by a lien on Piaggio shares; in early February 2024, this loan was extended to the end of January 2025;
- *a* revolving credit line with Intesa Sanpaolo up to a maximum of €18 million, fully drawn at 30 June 2024, secured by a pledge on Piaggio shares. The line was transformed into a depreciated line maturing at the end of January 6 with repayment in 2028, six-monthly instalments starting from the end of July 2025 and a final balloon payment;
- a mortgage loan signed in September 2023 with Banca Popolare di Sondrio for a nominal value of €20 million, disbursed at the end of June 2024 for €11.5 million earmarked for investments related to the expansion of the production facility. The loan is backed by a mortgage guarantee on the Sarzana industrial complex for €34 million, an Immsi guarantee for €20 million and an insurance bond. It expires in April 2035 with a pre-amortisation of 18 months and repayment in six-monthly instalments starting from October 2025;
- financial payables to Banca IFIS for the advance on the Gaeta contract used for €1.1 million at 30 June 2024, with repayment due by the end of December 2024 based on the advances invoiced to the customer. The contract advance line is assisted by a comfort letter from RCN Finanziaria and Immsi;
- a credit line with Banca IFIS for an advance on a contract for €6 million, assisted by a comfort letter from Immsi, with repayment in annual instalments by 31 December 2026, through 50% of the value that will be gradually invoiced until the completion of the contract;
- a credit line with Banca IFIS for an advance on a contract for an original amount of €7.5 million, with a residual amount at 30 June 2024 for €3.8 million, assisted by a comfort letter from Immsi, with repayment in annual instalments by June 2025, through 50% of the value that will be gradually invoiced until the completion of the contract;
- a credit line with Banca IFIS for an advance on a contract for an original amount of €6 million, with a residual amount at 30 June 2024 of €0.2 million, assisted by a comfort letter from Immsi, with repayment by July 2024;
- a credit line with Banca IFIS for an advance on a contract for an original amount of €2 million, assisted by a comfort letter from Immsi, with repayment in annual instalments by December 2025, through 50% of the value that will be gradually invoiced until the completion of the contract;
- a credit line with Banca IFIS for an advance on a contract for a residual amount of €0.2 million, assisted by a comfort letter from Immsi, with repayment by December 2024, through 50% of the value that will be gradually invoiced until the completion of the contract;

- an amortised loan from Banca IFIS for an original amount of €3 million, outstanding at 30 June 2024 for €2.4 million, with quarterly repayments starting in December 2023 and final maturity at the end of September 2027, assisted by a comfort letter from Immsi;
- a €5 million revolving loan granted by Banca Nazionale del Lavoro, for assistance in the management of working capital, fully used at 30 June 2024, with individual instalments expiring at 180 days, guaranteed by a comfort letter from Immsi;
- a credit line with Banca Nazionale del Lavoro with a *ceiling* of €4.2 million for advances on invoices, used at 30 June 2024 for €1.7 million;
- loans of €2.1 million and €5 million issued on 3 March and 12 April 2022 by Banca Monte dei Paschi di Siena, for site adjustments for the component identified as "Green", expiring at the end of 2028 and the end of March 2029, respectively, with quarterly repayments, secured by a SACE 80% "Green" guarantee and an Immsi 100% surety. The contractual terms envisage loan covenants;
- a 1/2/3 month revolving credit line granted by UniCredit for €1 million, maturing in December 2024, fully drawn at the end of June 2024;
- a €399 thousand loan issued by Medio Credito Centrale for a research project, expiring in June 2031 with six-monthly repayments starting in December 2023 and with a guarantee pursuant to the Decree of 6 August 2015.

Intermarine has a credit line with Banca IFIS with a ceiling of €6.2 million for advances on invoices, and a further credit line of €2 million maturing on 31 July 2024, being extended, undrawn at 30 June 2024.
Intermarine also has short-term overdraft facilities of €1.2 million, undrawn at 30 June 2024.

Is Molas S.p.A.

- mortgage loan granted in September 2022 by Banca Sella for €8,500 thousand with a maturity of 2039 and a grace period of 24 months. The loan is secured by a first mortgage registered on some structures in the complex including the hotel and club house. In relation to this loan, Immsi S.p.A. acted as guarantor towards Is Molas S.p.A. and provided collateral with a pledge on Piaggio shares.

As part of the indebtedness of the Parent Company and its subsidiaries Intermarine S.p.A., ISM Investimenti S.p.A. and Is Molas S.p.A., as at 30 June 2024, Immsi S.p.A. pledged approximately 171.8 million Piaggio shares to guarantee loans and credit lines for a total of €315.3 million, while a further approximately 7.5 million Piaggio shares are free of encumbrances.
In this regard, it should be noted that the current Piaggio share prices make it possible to confirm the existing guarantees, and therefore compliance with the Guarantee Values.

The item Bonds for €246,133 thousand (nominal value equal to €250,000 thousand) refers to the high yield debenture loan issued on 5 October 2023 for €250,000 thousand, expiring on 5 October 2030 and with semi-annual coupon at a fixed annual nominal rate.
Standard & Poor's and Moody's assigned a BB- rating with a positive outlook and a Ba3 rating with a stable outlook respectively for the new issue.
It should be noted that the company may repay in advance all or part of the High Yield bond issued on the terms specified in the indenture. The value of prepayment options was not deducted from the original contract, as these are considered as being closely related to the host instrument, as provided for by IFRS 9 b4.3.5.

Amounts due to other lenders, totalling €69,306 thousand, of which €69,235 falling due within the year, are broken down mainly as follows:

- two shareholder loans for €6,000 and €11,216 thousand respectively granted to RCN Finanziaria S.p.A. by Intesa Sanpaolo (shareholder of the company) renewed on June 2019 and repayable within 3 years based on agreements signed between shareholders; at the end of June 2024, discussions were ongoing between the company and the shareholder Intesa Sanpaolo for the possible renewal of the two above-mentioned loans;
- a shareholders' loan of €30,558 thousand granted by Intesa Sanpaolo S.p.A. (formerly IMI Investimenti S.p.A.), shareholder of the company, to ISM Investimenti S.p.A. This credit line contractually expired at the end of 2018 but not due as it is subordinate, as per the clause included in the contract, to the repayment of the multi-line bank loan granted to ISM Investimenti by Intesa Sanpaolo for €30 million (expiring on 31 January 2024 and subsequently renewed until 31 January 2025), also by virtue of the co-investment and shareholders' agreement between the shareholders of ISM Investimenti S.p.A., i.e. IMI Investimenti S.p.A. and Immsi S.p.A.. With a view to strengthening the capital base of ISM Investimenti S.p.A., in April 2022 Intesa Sanpaolo partially waived €12.4 million of the shareholders' loan by transferring it to ISM Investimenti S.p.A.'s shareholders' equity in a reserve for a future capital increase by Intesa. Furthermore, it is noted that, in order to ensure the future financial stability of the Company, with the framework agreement dated 27 May 2022, the Shareholders, Immsi S.p.A. and Intesa Sanpaolo S.p.A. agreed to suspend the accrual of the financial charges of the Intesa Shareholders' Loan and the Immsi Loans at 30 April 2022 and, therefore, as of that date, the accrual of interest on the amounts disbursed was suspended until the moment in which a so-called "Liquidity Event" (as defined in the above-mentioned agreements) occurs. At the date of these financial statements, the Directors have assessed the occurrence of a liquidity event as not probable and therefore no liability has been provided for interest expenses on the aforementioned shareholder loans after 30 April 2022;
- financial advances from factoring companies and banks for trade receivables assigned with recourse, totalled €21,390 thousand and refer to the Piaggio group;
- a medium/long-term subsidised loan of €142 thousand, of which €71 thousand as the current portion, granted by the Tuscany Region to Piaggio under regulations to encourage investment in research and development.

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

1) financial covenants based on which the company is committed to meeting certain contractually agreed financial ratios. The most common and significant covenants include the ratio of net debt to EBITDA and net debt to shareholders' equity, measured based on company and/or consolidated parameters, according to definitions agreed with the lenders;
2) negative pledges according to which the company that contracted such loans may not

establish collaterals or other constraints on company assets or the undertaking of new financial debt;
3) “*pari passu*” clauses, on the basis of which the loans will have the same repayment priority as other financial liabilities;
4) change of control clauses, which are effective if the majority shareholder loses control of the company;
5) the cross default clauses, based on which, in the event of default on a loan, the default automatically extends to the other lines;
6) limitations on the extraordinary operations the company may carry out.

The high yield debenture loan issued by Piaggio in October 2023 provides for compliance with covenants which are typical of international practices on the high yield market. In particular, the company must observe the EBITDA/Net financial costs index, based on the threshold established in the Prospectus, to increase financial debt defined during issue. In addition, the Prospectus includes some obligations for the issuer, which limit, inter alia, the capacity to:

1) pay dividends or distribute capital;
2) make some payments;
3) grant collaterals for loans;
4) merge with or establish some companies;
5) sell or transfer own assets.

- G3 - TRADE PAYABLES AND OTHER PAYABLES **879,405**

Trade payables and other payables amounted to €879,405 thousand (compared to €753,698 thousand as at 31 December 2023), of which €867,045 thousand (€741,358 thousand as at 31 December 2023) due within a year.
The non-current portion, amounting to €12,360 thousand, mainly comprises security deposits and deferred income, while trade and other current payables are detailed below:

In thousands of Euros	***Balance at 30.06.2024***	***Balance at 31.12.2023***
Trade payables	764,016	654,240
Deferred income to affiliated companies	41	80
Amounts due to parent companies	320	342
Amounts due to joint ventures	7,326	5,982
Other payables	95,342	80,714
TOTAL	**867,045**	**741,358**

To facilitate credit conditions for its suppliers, the Group has always used some indirect factoring agreements, mainly supply chain financing and reverse factoring agreements. These operations have not changed the primary obligation or substantially changed payment terms, so their nature is the same and they are still classified as trade liabilities.
As at 30 June 2024, the value of trade payables covered by reverse factoring or supply chain financing agreements was equal to €282,623 thousand (€256,318 thousand as at 31 December 2023).

Amounts due to joint ventures as at 30 June 2024 primarily refer to the purchase of vehicles by the Piaggio group from the Chinese joint venture Zongshen Piaggio Foshan Motorcycle Co. Ltd.

The "Other current payables" item is detailed below:

In thousands of Euros		
	Balance at 30.06.2024	***Balance at 31.12.2023***
Amounts due to employees	40,343	27,392
Liabilities connected to hedging instruments	2,293	5,927
Advances from customers	64	19
Advances on contract work in progress	10,142	0
Amounts due to company boards	474	925
Amounts due to social security institutions	7,349	9,489
Other amounts due to third parties	452	495
Other amounts due to affiliated companies	8	0
Accrued expenses	12,676	9,564
Deferred income	11,467	10,191
Other payables	10,074	16,712
TOTAL	**95,342**	**80,714**

Amounts due to employees mainly refer to holidays accrued and not taken and other salary components to pay.
The item Advances on contract work in progress refers entirely to the subsidiary Intermarine S.p.A. and corresponds to advances on job orders in the portfolio.
The item hedging derivative liabilities refers entirely to the Piaggio group and comprises the fair value of exchange-rate hedging transactions for forecast transactions accounted for according to the cash flow hedge principle (€2,096 thousand) and the fair value of commodity hedging derivatives accounted for according to the cash flow hedge principle (€197 thousand).

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

- G4 - PROVISIONS FOR SEVERANCE LIABILITIES AND SIMILAR OBLIGATIONS **26,470**

The reserve for pension and similar obligations amounted to €26,470 thousand as at 30 June 2024, a decrease of €1,042 thousand compared to the figure as at 31 December 2023.

The reserve is detailed below:

In thousands of Euros						
	Balance at 31.12.2023	***Service cost***	***Actuarial (gain) loss***	***Interest cost***	***Uses and other movements***	***Balance at 30.06.2024***
Termination benefits	26,597	4,682	(685)	394	(5,496)	25,492
Other funds	915	63	0	0	0	978
TOTAL	**27,512**	**4,745**	**(685)**	**394**	**(5,496)**	**26,470**

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

The item "Other provisions" is entirely attributable to the Piaggio group and includes i) provisions for personnel made by international companies of the Piaggio group and ii) additional customer indemnity provisions, which represent the compensation due to agents in the case of the agency contract being terminated for reasons beyond their control. Uses refer to the payment of benefits already accrued in previous years, while allocations refer to benefits accrued in the period.

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

- Technical annual discount rate 3.35% - 3.61%;
- Annual inflation rate 2%
- Annual rate of increase in termination benefit 3%

As regards the discount rate, the iBoxx Corporates AA or iBoxx Corporates A with a duration from 5 a 10+ were considered.

The table below shows the effects, in absolute terms, at 30 June 2023, which would have occurred following changes in reasonably possible actuarial assumptions:

	Termination benefits provision
In thousands of Euros	
Turnover rate +2%	25,695
Turnover rate -2%	25,253
Inflation rate +0.25%	25,789
Inflation rate - 0.25%	25,193
Discount rate +0.50%	24,602
Discount rate -0.50%	26,429

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

Year	Future amounts
In thousands of Euros	
1	2,349
2	1,430
3	845
4	2,321
5	1,924

Being an actuarial valuation, the results depend on the technical bases adopted such as – among others – the interest rate, the inflation rate and the expected turnover. A variation of these parameters could lead to a significant change in the liability estimated to date: similar impacts may be caused by unexpected changes in other technical bases.

The affiliates operating in Germany and Indonesia have provisions for employees identified as defined benefit plans. Their value outstanding as at 30 June 2024 is €77 thousand and €477 thousand, respectively.

- G5 - OTHER LONG-TERM PROVISIONS 39,179

The balance of other long-term provisions, including the portion falling due within 12 months, totalled €39,179 thousand at the end of June 2024, a €2,767 thousand increase compared to 31 December 2023.
The other provisions recognised in the financial statements are detailed below:

In thousands of Euros	*Balance at 31.12.2023*	*Allocations*	*Utilisation*	*Others movements*	*Balance at 30.06.2024*	*of which current*
Provision for product warranties	21,425	6,747	(5,060)	40	23,152	14,632
Provision for contractual risks	8,979	1,018	(2)	32	10,027	1,009
Other provisions for risks and charges	6,008	565	(581)	8	6,000	2,386
TOTAL	**36,412**	**8,330**	**(5,643)**	**80**	**39,179**	**18,027**

The Provision for product warranties refers to allocations recognised as at 30 June 2024 by the Piaggio group for €22,219 thousand and by Intermarine S.p.A. for €933 thousand for technical warranty operations on products covered by warranties, which are expected to be carried out in the contractual warranty period. As regards – in particular – the forecasts made by the Piaggio group, this period varies according to the type of goods sold and the market, and is also determined by the customer take-up to commit to planned maintenance. With reference to Intermarine S.p.A., the company allocates this reserve for maintenance under warranty to be carried out in the future years on naval vessels under construction, delivered during the year and/or in previous years, determined on the basis of the estimate of costs incurred in the past for similar vessels.

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

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

- G6 - DEFERRED TAX LIABILITIES 7,328

The “Deferred tax liabilities” item refers to tax payables provisioned by the individual companies on the basis of applicable national laws. The balance is offset by deferred tax assets of the same type and maturity.
Deferred tax liabilities stood at €5,879 thousand for the Piaggio group, €912 thousand for the Parent Company Immsi S.p.A. and €537 thousand for Intermarine S.p.A..

- G7 - CURRENT TAXES 18,972

The item Current taxes, which includes tax payables allocated in relation to tax charges for individual companies under applicable national laws, increased by €1,321 thousand compared to the end of 2023. A breakdown of this item is given below:

In thousands of Euros		
	Balance at 30.06.2024	***Balance at 31.12.2023***
Due for income tax	9,497	9,936
VAT payables	2,895	957
Amounts due for withholding tax	5,281	5,882
Amounts due for local taxes	83	122
Other payables	1,216	754
TOTAL	**18,972**	**17,651**

The item in question, which refers for €18,079 thousand to the Piaggio group, which as mentioned mainly comprises tax payables recorded in the financial statements of each consolidated company, allocated in relation to tax charges referring to individual companies on the basis of applicable national laws, whereas amounts due for withholding tax are mainly recorded against withholdings on employee salaries, termination payments and self-employed income.

- H - INFORMATION ON THE MAIN INCOME STATEMENT ITEMS

Amounts are stated in thousands of Euro unless otherwise indicated.

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

- H1 - NET REVENUES 1,013,769

The Immsi Group’s revenues from sales and services as at 30 June 2024 amounted to €1,013,769 thousand (a decrease of €168,798 thousand compared to the same period last year, equal to -14.3%). This increase is mainly attributable to the industrial sector which generated revenues of €990,298 thousand (-€176,878 thousand or -15.2%); the marine sector reported revenues of €22,356 thousand, up on the same period of the previous year (+€8,513 thousand or +61.5%), while the property and holding sector reported revenues of €1,115 thousand, down on 30 June 2023 (-€433 thousand, or -28.0%).
This item is stated net of premiums given to the customers of the Piaggio group (dealers) and it does not include transport costs recharged to customers by the Piaggio group (€25,671 thousand) and the recovery of advertising costs invoiced by the Piaggio group (€3,183 thousand), which are shown under Other operating income.

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

By business segment

In thousands of Euros	*First half of 2024*		*First half of 2023*	
	Amount	***%***	***Amount***	***%***
Property and holding sector	1,115	0.1%	1,548	0.1%
Industrial sector	990,298	97.7%	1,167,176	98.7%
of which the Two-wheeler business	787,991	77.7%	951,268	80.4%
of which the Commercial Vehicles business	202,307	20.0%	215,908	18.3%
Marine sector	22,356	2.2%	13,843	1.2%
TOTAL	**1,013,769**	**100.0%**	**1,182,567**	**100.0%**

By geographic segment

In thousands of Euros	*First half of 2024*		*First half of 2023*	
	Amount	***%***	***Amount***	***%***
Italy	219,772	21.7%	215,286	18.2%
Other European countries	415,038	40.9%	484,064	40.9%
Rest of the world	378,959	37.4%	483,217	40.9%
TOTAL	**1,013,769**	**100.0%**	**1,182,567**	**100.0%**

- H2 - COSTS FOR MATERIALS **622,064**

At the end of the first half, the cost for materials totalled €622,064 thousand, compared with €752,242 thousand as at 30 June 2023.
The percentage accounting for net revenues as at 30 June 2024 is slightly lower than the same period of the previous year, accounting for 61.4% (63.3% as at 30 June 2023).
In the Piaggio group, the decrease as at 30 June 2024 in this item of €611,007 thousand (-€133,427 thousand compared to the same period of the previous year) was due to the increase in production volumes and the cost of raw materials.
The item includes €10,271 thousand (€15,506 thousand in the first half of 2023) for purchases of scooters from the Chinese subsidiary Zongshen Piaggio Foshan, which are sold on European and Asian markets.
The table below details the contents of the item under examination:

In thousands of Euros	*First half of 2024*	*First half of 2023*
Change in inventories of finished products, work in progress and semi-finished products	(36,303)	(7,496)
Purchase of raw materials and consumables	658,436	753,765
Change in raw materials and consumables	(69)	5,973
TOTAL	**622,064**	**752,242**

- H3 - COSTS FOR SERVICES, LEASES AND RENTALS 151,191

Costs for services and use of third-party assets totalled €151,191 thousand. This item is broken down as follows:

In thousands of Euros	*First half of 2024*	*First half of 2023*
Transport costs	24,383	29,104
Product warranty costs	1,245	1,536
Advertising and promotion	19,067	20,808
Outsourced manufacturing	23,509	24,604
External maintenance and cleaning costs	4,997	5,708
Employee costs	7,629	8,220
Technical, legal, tax, administrative consultancy, etc.	16,407	13,242
Promotional materials and activities	0	111
Sundry commercial expenses	4,017	4,040
Energy, telephone, postage costs, etc.	7,622	9,808
Services provided	250	486
Insurance	3,229	2,983
Cost of company boards	2,731	2,162
Sales commissions	460	547
Part-time staff and staff of other companies	1,436	1,129
Bank charges and commission	4,135	4,350
Quality-related events	848	679
Expenses for public relations	1,409	1,370
Expenses for outsourced services	12,132	10,332
Other expenses	6,737	10,595
TOTAL COSTS FOR SERVICES	**142,243**	**151,814**
Rental instalments of business property	8,776	8,683
Lease rentals for motor vehicles, office equipment, etc.	145	126
Other instalments	27	17
TOTAL COSTS FOR LEASES AND RENTALS	**8,948**	**8,826**
TOTAL COSTS FOR SERVICES, LEASES AND RENTALS	**151,191**	**160,640**

- H4 - EMPLOYEE COSTS 149,870

Employee costs are broken down as follows:

In thousands of Euros	*First half of 2024*	*First half of 2023*
Salaries and wages	113,578	114,183
Social security contributions	29,420	28,273
Termination benefits	4,682	4,989
Pensions and the like	63	19
Personnel restructuring costs	1,190	1,881
Other costs	937	865
TOTAL	**149,870**	**150,210**

In the first half of 2024, employee costs decreased by €340 thousand (-0.2%) compared to the same period of the previous year.
Under employee costs as at 30 June 2024, €1,190 thousand was recorded for charges related to mobility plans applied to the Piaggio group production sites in Pontedera and Noale.
Average employee numbers were affected by seasonal workers in the summer (on fixed-term employment contracts). The Group effectively hires temporary staff to cover peaks in demand typical of the summer months.

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

	First half of 2024	*First half of 2023*
Senior management	129	126
Middle managers and white-collar workers	2,466	2,481
Blue-collar workers	3,943	4,086
TOTAL	**6,539**	**6,693**

- H5 - DEPRECIATION AND IMPAIRMENT COSTS OF PROPERTY, PLANT AND EQUIPMENT 33,207

The depreciation of property, plant and equipment as at 30 June 2024 is summarised below:

In thousands of Euros	*First half of 2024*	*First half of 2023*
Depreciation of buildings	7,241	7,403
Depreciation of plant and machinery	11,612	11,895
Depreciation of industrial and commercial equipment	8,151	8,511
Depreciation of assets to be given free of charge	89	88
Depreciation of other assets	6,114	6,036
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	**33,207**	**33,933**

The above item includes depreciation for rights of use in the first half of 2024 equal to €5,457 thousand (€5,907 thousand as at 30 June 2023).

- H6 - AMORTISATION AND IMPAIRMENT COSTS OF FINITE LIFE INTANGIBLE ASSETS 37,860

During the first half of 2024, amortisation of intangible assets with a finite life amounted to €37,860 thousand.

In thousands of Euros	*First half of 2024*	*First half of 2023*
Amortisation of development costs	15,510	17,158
Amortisation of concessions, patents, industrial and similar rights	22,137	23,624
Amortisation of trademarks and licences	33	33
Amortisation of software	51	52
Amortisation of other intangible assets with a finite life	129	106
AMORTISATION OF INTANGIBLE ASSETS	**37,860**	**40,973**

Since 1 January 2004, goodwill has no longer been amortised but has been subjected to impairment tests at least annually: see the note on intangible assets for details of the activities carried out. It should be noted that amortisation of intangible assets did not include any impairment of goodwill in the first six months of 2024 or in the corresponding period of the previous year, as this goodwill was deemed recoverable through future cash flows.

- H7 - OTHER OPERATING INCOME 90,711

The “Other operating income” item comprises:

In thousands of Euros	*First half of 2024*	*First half of 2023*
Gains on the disposal of property, plant and equipment	725	2,188
Sponsorships	3,267	2,991
Grants	2,616	3,080
Recovery of sundry costs	31,421	33,669
Licence rights	1,157	1,059
Sale of materials and sundry equipment	623	511
Insurance settlements	619	980
Increases in fixed assets from internal work	33,875	28,880
Reversal of provisions for risks and other provisions	6	360
Rents received	2,258	1,372
Other operating income	14,144	9,412
TOTAL	**90,711**	**84,502**

Other operating income increased by €6,209 thousand (or +7.3%) compared with the same period of the previous year, mainly due to the Industrial sector.
The item Grants includes €1,893 thousand for government and community grants for research projects and capex, and export subsidies of €685 thousand received from the Indian affiliate. The former are recognised in profit or loss, strictly relating to the amortisation and depreciation of capitalised costs for which they were received. The item Sponsorships relates to the activities of the Aprilia Racing team.

- H8 - NET REVERSALS (IMPAIRMENT) OF TRADE AND OTHER RECEIVABLES (1,338)

As at 30 June 2024 this item amounted to €1,338 thousand for net write-downs and is broken down as follows:

In thousands of Euros	*First half of 2024*	*First half of 2023*
Release of provisions	1,113	9
Losses on receivables	(1,113)	(63)
Write-downs of receivables in working capital	(1,338)	(2,208)
TOTAL	**(1,338)**	**(2,262)**

- H9 - OTHER OPERATING COSTS 13,847

The item Other operating costs totalled €13,847 thousand as at 30 June 2024 and comprises the following:

In thousands of Euros	*First half of 2024*	*First half of 2023*
Losses on the disposal of property, plant and equipment	146	1
Duties and taxes not on income	2,749	3,325
Provisions for product warranty	6,747	7,141
Provisions for future and other risks	1,583	4,727
Other operating costs	2,622	3,110
TOTAL	**13,847**	**18,304**

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

- H10 - INCOME/(LOSS) FROM INVESTMENTS (667)

Income from investments mainly derives from the Group's share of the results of the joint venture Zongshen Piaggio Foshan Motorcycle Co. Ltd. and the associated company Pontedera & Tecnolologia S.c.a.r.l. valued at equity, as well as dividends from minority interests held by Piaggio and classified in other non-current financial assets.

- H11 - FINANCIAL INCOME 7,452

Financial income recognised by the Group as at 30 June 2024 is detailed below:

In thousands of Euros	*First half of 2024*	*First half of 2023*
Interest income	1,077	1,375
Exchange gains	6,340	14,443
Income from fair value hedging and interest rates	0	2
Dividends	34	0
Oth rvns	1	277
TOTAL	**7,452**	**16,097**

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

- H12 - BORROWING COSTS 46,679

Borrowing costs as at 30 June 2024 are detailed below:

In thousands of Euros	First half of 2024	First half of 2023
Interest payable on bank loans	22,210	17,095
Interest payable on loans from third parties	6,977	4,655
Interest payable on debenture loans	8,499	5,877
Other interest payable	2,632	2,949
Commissions payable	1,065	973
Exchange losses	7,657	15,055
Financial component of retirement funds and termination benefits	369	422
Financial charges for rights of use	944	868
Other charges	(3,674)	(1,257)
TOTAL	**46,679**	**46,637**

Borrowing costs as at 30 June 2024 were in line with the same period of the previous year due to a reduction in foreign exchange losses offset by a higher cost of debt.
Other costs include the reversal of €3,890 thousand relating to financial charges capitalised on property, plant and equipment and intangible assets by Piaggio, Intermarine and Is Molas S.p.A..

- H13 - TAXES 23,020

The expected tax expense on the income of companies consolidated with the line by line consolidation method in the financial statements as at 30 June 2024 amounted to €23,020 thousand, with a percentage of income before taxes of 41.7% (39.7% in the first half of 2023).

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

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

- H15 - GROUP PROFIT (LOSS) FOR THE PERIOD 11,486

Earnings for the period of the Immsi Group were positive amounting to €11,486 thousand, after allocating a profit of €20,703 thousand to non-controlling interests.

- I - COMMITMENTS, RISKS AND GUARANTEES

For main commitments, risks and guarantees, where not specifically updated in these Notes, reference is made to the Notes to the Consolidated Financial Statements as at 31 December 2023 for a general overview of the Group.

- L - TRANSACTIONS WITH RELATED PARTIES

As regards information to be provided on related party transactions of the Group, in accordance with IAS 24 – *Related Parties Disclosures*, related party transactions took place in normal market conditions or as laid down by specific laws. No atypical or unusual transactions were carried out during the period to 30 June 2024. In compliance with Regulation no. 17221 on transactions with Related Parties issued by Consob on 12 March 2010 as amended, the Group adopted a new procedure to regulate procedures to approve related-party transactions, available on the website of the Issuer www.immsi.it, in the section *Governance - Procedures*.
The following table shows the main financial effects of related party transactions and their impact on each financial statement item as of consolidated data of the Immsi Group as at 30 June 2024: the financial effects arising from consolidated intergroup operations were eliminated during consolidation.
For comparative purposes, the following table shows income statement data as at 30 June 2023 and balance sheet data as at 31 December 2023.

Main economic and financial items	Amounts in thousands of Euros 30.06.2024	% accounting for financial statement items	Description of the nature of transactions	Comparable amounts in thousands of Euros
Transactions with Related Parties:				
Current trade payables	*90*	*0.0%*	*Tax advisory services provided by St. Girelli & Ass. to the Group*	*81*
Costs for services, leases and rentals	*84*	*0.1%*	*Tax advisory services provided by St. Girelli & Ass. to the Group*	*85*
Transactions with Parent companies:				
Non-current financial liabilities	*847*	*0.2%*	*Financial liabilities for rights of use on Omniaholding S.p.A. leases*	*1,052*
Current financial liabilities	*400*	*0.1%*	*Financial liabilities for rights of use on Omniaholding S.p.A. leases*	*408*
Current trade payables	*366*	*0.0%*	*Rental of offices provided by Omniaholding S.p.A. to the Group*	*342*
Costs for services, leases and rentals	*38*	*0.0%*	*Rental of offices provided by Omniaholding S.p.A. to the Group*	*53*
Current trade receivables and other receivables	*13*	*0.0%*	*Trade receivables from Omniaholding S.p.A.*	*0*
Borrowing costs	*26*	*0.1%*	*Finance costs for rights of use Omniaholding S.p.A..*	*23*
Transactions with Subsidiaries, Affiliated Companies, Joint Ventures:				
Current trade receivables and other receivables	*998*	*0.5%*	*Trade receivables from Piaggio Foshan*	*971*
Current trade payables	*7,326*	*1.0%*	*Trade payables of Piaggio & C. S.p.A. due to Piaggio Foshan*	*6,002*
	34	*0.0%*	*Trade payables of Intermarine S.p.A. due to Consorzio CTMI*	*61*
Other current payables	*8*	*0.0%*	*Payables to the Piaggio Foundation*	*114*
Costs for materials	*10,271*	*1.7%*	*Purchases of Piaggio & C. S.p.A. from Piaggio Foshan*	*15,506*
Costs for services, leases and rentals	*33*	*0.0%*	*Costs for services from Piaggio Foshan*	*169*
	55	*0.0%*	*Costs for services rendered by Consorzio CTMI*	*50*
Other operating income	*102*	*0.1%*	*Income from Piaggio Foshan*	*160*

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

M - NET DEBT

The Immsi Group net financial debt as at 30 June 2024 is shown below, compared with corresponding data as at 31 December 2023 and as at 30 June 2023. Further details of the main components are provided in the tables in the Half-Yearly Financial Report and related information below them:

(in thousands of Euros)	*30.06.2024*	*31.12.2023*	*30.06.2023*
Total liquidity	-327,059	-202,301	-267,484
Total current financial debt	464,396	439,543	458,543
Net current financial debt	137,337	237,242	191,059
Non-current financial debt	680,432	590,121	576,182
Net Financial debt	**817,769**	**827,363**	**767,241**

Net debt – analysed below and compared with the same figures as at 31 December 2023, is presented in accordance with the ESMA guidelines 32-382-1138 of 4 March 2021, adjusted as at 30 June 2024, as follows: financial assets and liabilities arising from the assessment at fair value, designated hedging and non-hedging derivative financial instruments, the fair value adjustment of the related hedged items, equal to €0.3 million; payables and accrued interest accrued on bank borrowings for a total of €10.3 million; interest and accruals on loans to minority shareholders for a total of €7.1 million. For details, please refer to the Financial Liabilities section in the Notes to the Financial Statements.

- N - DIVIDENDS PAID

As proposed by the Board of Directors on 19 March 2024 and as approved by the Ordinary Shareholders' Meeting on 29 April 2024, the Parent Company Immsi S.p.A. distributed, as the balance of the interim dividend already paid in November 2023, dividends in May 2024 of €0.025 per ordinary eligible share, for a total of €8.5 million. During the first six months of 2023, dividends of €0.039 per ordinary share were distributed, for a total of €13.3 million.

- O - EARNINGS PER SHARE

Earnings per share

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

	First half of 2024	*First half of 2023*
Net profit attributable to ordinary shareholders (in thousands of Euro)	11,486	19,568
Average weighted number of shares in circulation during the year	340,530,000	340,530,000
Basic earnings per share	**0.034**	**0.057**

Diluted earning per share

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

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

- P - INFORMATION ON FINANCIAL INSTRUMENTS

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

Financial assets

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

Financial liabilities

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

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

1) financial covenants based on which the debtor company is committed to meeting certain contractually agreed financial ratios. The most common and significant covenants include the ratio of net financial debt to EBITDA, regarding net debt to shareholders' equity, the covenant regarding the Shareholders' Equity to Assets ratio, and the EBITDA/net borrowing costs, measured on a company and/or consolidated basis according to definitions agreed with the lenders;
2) negative pledges that limit the Company's capacity to establish collateral or other constraints on company assets;
3) "*pari passu*" clauses, on the basis of which the loans will have the same repayment priority as other financial liabilities, and change of control clauses, which are effective if the majority shareholder loses control of the company;
4) limitations on the extraordinary operations the company may carry out.

The high yield debenture loan issued by Piaggio & C. S.p.A. in October 2023 requires compliance with covenants which are typical of international practices on the high yield market. In particular, the company must observe the EBITDA/Net financial costs index, based on the threshold established in the Prospectus, to increase financial debt defined during issue. In addition, the Prospectus includes some obligations for the issuer, which limit, inter alia, the capacity to:

1) pay dividends or distribute capital;
2) make some payments;
3) grant collaterals for loans;
4) merge with or establish some companies;
5) sell or transfer own assets.

The measurement of financial covenants and other contract commitments is monitored by the Group on an ongoing basis, in particular, based on results as at 30 June 2024, all covenants had been fully met. The Group does not expect to fail to meet its financial parameters as at 31 December 2024, based on the forecasts available to date.
Given that the analyses were carried out on the basis of estimates and taking into account the current climate of uncertainty on core and financial markets, the various factors used in preparing estimates could be revised in the future.
Failure to comply with the covenants and other contract commitments of the loan and debenture loan, if not remedied in agreed times, may give rise to an obligation for the early repayment of the outstanding amount of the loan. For more details, see the information in Note G2 – *Financial liabilities*.

Lines of credit

As at 30 June 2024 the Immsi Group had irrevocable credit lines up to maturity amounting to €1,267.2 million (€1,266.9 million as at 31 December 2023), details of which are given in the Note G2 – *Financial liabilities*.

Management of financial risks

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

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

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

Capitals management and liquidity risk

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

system that enables the asset and liability balances of the subsidiaries to be reset daily, resulting in more effective and efficient management of liquidity in the Euro area.

For a greater coverage of liquidity risk, as at 30 June 2024 the Immsi Group had unused credit lines available for €449.6 million (€517 million as at 31 December 2023), of which €217.1 million due within 12 months and €232.5 million due after 12 months.
In particular, besides the €28.1 million available to the Parent Company, the Piaggio group had undrawn credit lines irrevocable until maturity of €217.5 million and €188.1 million of revocable credit lines as at 30 June 2024.

In relation to the forecasts drawn up concerning the financial requirements expected for the next 12 months, deriving mainly from investment activities and the management of net working capital, taking into account the credit lines maturing during the year and the financial commitments that the Group has undertaken to meet in order to support the development of its initiatives, the Directors have taken, and will take in the coming months, actions aimed at finding solutions that will guarantee financial balance, including the renewal of short-term credit lines, also taking into consideration the risk of a possible weakness of the stock markets, with possible consequences on the size of credit lines currently granted to the parent company Immsi S.p.A., largely guaranteed by Piaggio shares held by the latter. In this regard, it should be noted that the current share price of the Piaggio stock makes it possible to confirm the guarantees in place for all related loans. Furthermore, as at 30 June 2024, approximately 7.5 million Piaggio shares were unpledged and can therefore potentially be used to obtain new credit lines.

Exchange rate risk management

The Immsi Group operates in an international context where transactions are also conducted in currencies different from the Euro. Foreign exchange hedging contacts are stipulated by companies of the **Piaggio group,** that has a management policy in place which aims to neutralise the possible negative effects of the changes in exchange rates on company cash-flows. This policy analyses:

- the transaction exchange risk: the policy wholly covers this risk which arises from differences between the recognition exchange rate of receivables or payables in foreign currency in the financial statements and the recognition exchange rate of actual collection or payment. To cover this type of exchange risk, the exposure is naturally offset in the first place (netting between sales and purchases in the same currency) and if necessary, by signing currency future derivatives, as well as advances of receivables denominated in currency;
- the translation exchange risk: arises from the conversion into Euro of the financial statements of subsidiaries prepared in currencies other than the Euro during consolidation: the policy adopted by the Piaggio group does not require hedging of this type of exposure;
- the economic exchange risk: arises from changes in company profitability in relation to annual figures planned in the economic budget on the basis of a reference change (the "budget change") and is covered by derivatives. The items of these hedging operations are therefore represented by foreign costs and revenues forecast by the sales and purchases budget. The total of forecast costs and revenues is processed monthly and associated hedging is positioned exactly on the average weighted date of the economic event, recalculated based on historical criteria. The economic occurrence of future receivables and payables will occur during the budget year.

Cash flow hedging relating to the Piaggio group

As at 30 June 2024, the Group had undertaken the following futures operations (recognised based on the settlement date), relative to payables and receivables already recognised to hedge the transaction exchange risk:

Company	Sign Operation	Currency	Amount Currency	Value in local currency (forward exchange rate)	Expiry Media
			In thousands	*In thousands*	
Piaggio & C.	Purchase	CAD	850	572	31/07/2024
Piaggio & C.	Purchase	CNY	114,000	14,586	19/07/2024
Piaggio & C.	Purchase	JPY	540,000	3,292	01/08/2024
Piaggio & C.	Purchase	SEK	14,000	1,224	01/09/2024
Piaggio & C.	Purchase	USD	51,850	47,779	31/07/2024
Piaggio & C.	Sale	CAD	6,500	4,403	20/08/2024
Piaggio & C.	Sale	CNY	42,000	5,358	20/08/2024
Piaggio & C.	Sale	IDR	9,800,000	557	23/07/2024
Piaggio & C.	Sale	JPY	135,000	800	23/08/2024
Piaggio & C.	Sale	USD	50,426	46,611	08/09/2024
Piaggio Vietnam	Sale	USD	42,438	1,077,284,020	14/08/2024
Piaggio Indonesia	Purchase	USD	17,900	290,231,010	09/08/2024
Piaggio Vehicles Private Ltd;	Sale	USD	5,000	418,175	12/08/2024

As at 30 June 2024, the Piaggio group had undertaken the following hedging transactions on the exchange risk:

Company	Sign Operation	Currency	Amount Currency	Value in local currency (forward exchange rate)	Expiry Media
			In thousands	*In thousands*	
Piaggio & C.	Sale	USD	26,000	24,014	07/09/2024
Piaggio & C.	Sale	GBP	6,100	6,977	25/09/2024
Piaggio & C.	Purchase	USD	20,000	18,096	13/06/2025
Piaggio & C.	Purchase	INR	3,782,554	39,500	11/05/2025
Piaggio & C.	Purchase	CNY	439,000	58,252	03/12/2024

To hedge the economic exchange risk alone, cash flow hedging is adopted with the effective portion of profits and losses recognised in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.
As at 30 June 2024, the total fair value of hedging instruments for exchange risk recognised on a hedge accounting basis was negative for €230 thousand. During the first half of 2024, gains were recognised in the Statement of Comprehensive Income for €1,442 thousand, while €724 thousand in losses from the Statement of Comprehensive Income were reclassified to profit/loss for the year.

The net balance of cash flows during the first half of 2024 is shown below in the main currencies:

	Cash Flow 1st half of 2024
In millions of Euros	
Canadian Dollar	6.1
Pound Sterling	21.3
Swedish Krone	(0.5)
Japanese Yen	(0.8)
US Dollar	24.3
Indian Rupee	(22.4)
Chinese Yuan*	(67.7)
Vietnamese Dong	(65.1)
Singapore Dollar	(2.0)
Indonesian Rupiah	36.6
Total cash flow in foreign currency	**(70.2)**

*cash flow partially in USD

The subsidiary **Intermarine S.p.A.** generally hedges the risks deriving from exchange rate fluctuations through specific operations linked to individual orders that require billing in currencies other than the Euro. As at 30 June 2024, there were no forward sales contracts in place.

In view of the above, a hypothetical 3% appreciation/depreciation of the Euro would generate, respectively, potential profits of €2,042 thousand and losses of €2,168 thousand.

Management of the interest rate risk

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

With reference to the **Piaggio group**, as at 30 June 2024 the following were recognised:

Cash flow hedging

- An Interest Rate Swap to hedge the variable-rate loan for a nominal amount of €10,000 thousand from Banco BPM. The purpose of this instrument is to manage and mitigate exposure to interest rate risk; in accounting terms, the instrument is recognised on a cash flow hedge basis, with profits/losses arising from the fair value measurement allocated to a specific reserve in Shareholders' equity; as at 30 June 2024, the fair value of the instrument was positive €208 thousand. The sensitivity analysis of the instrument, assuming a shift in the interest rate curve of 1% upwards and downwards, shows a potential impact on shareholders' equity, net of the related tax effect, of €29 thousand and -€29 thousand, respectively.
- An Interest Rate Swap to hedge the variable-rate loan for a nominal amount of €24,000 thousand from Banca Nazionale del Lavoro. The purpose of this instrument is to manage and mitigate exposure to interest rate risk; in accounting terms, the instrument is recognised on a cash flow hedge basis, with profits/losses arising from the fair value measurement allocated to a specific reserve in Shareholders' equity; as at 30 June 2024, the fair value of the instrument was positive €279 thousand. The sensitivity analysis of the instrument, assuming a shift in the interest rate curve of 1% upwards and downwards, shows a potential impact on shareholders' equity, net of the related tax effect, of €328 thousand and -€296 thousand, respectively.

Moreover, the Parent Company **Immsi S.p.A.** activated an interest rate swap to change a part of flows for interest on loans with Banco BPM and Bper Banca from a variable to a fixed rate. In the first half of the year, with the same principle as the cash *flow hedge,* net gains were recorded in the Statement of Comprehensive Income for €46 thousand.

Credit risk management

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

In thousands of Euros	*30 June 2024*	*31 December 2023*
Bank funds and securities	326,951	196,018
Financial assets	16	13,090
Tax receivables	31,850	30,491
Trade and other receivables	232,876	147,610
Total	***591,693***	***387,209***

In particular, the **Piaggio group** monitors or manages credit centrally by using established policies and guidelines. The portfolio of trade receivables shows no signs of concentrated credit risk in light of the broad distribution of its own licensee or distributor network. In addition, most trade receivables are short-term. In order to optimise credit management, Piaggio & C. S.p.A. has established revolving programmes with some primary factoring companies for selling its trade receivables without recourse in Europe and the United States.

With reference to the subsidiary **Intermarine S.p.A.**, which in view of the nature of its business can present receivables concentrated among a few customers, it is noted that the most significant customers in quantitative terms are represented by public bodies: moreover, in general production to order requires substantial advance payments by the customer as works progress, thereby reducing the credit risk. To minimise credit risk, Intermarine also signs contracts with major Italian factoring companies for the assignment of trade receivables without recourse.

With reference to the other companies of the Immsi Group, there is currently no significant exposure to credit risk.

Commodity Price Risk

This risk arises from the possibility of changes in company profitability due to fluctuations in commodity prices (specifically platinum and palladium, used mainly by the Piaggio group).

The Piaggio group has set up hedging contracts to neutralise these possible adverse variations deriving from highly probable future transactions by offsetting them with the opposite variations through the hedging instrument; the cash flow hedge accounting principle is applied, with the effective portion of profits and losses recorded in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.

As at 30 June 2024, the total fair value of hedging instruments for commodity price risk recognised on a hedge accounting basis was negative at €86 thousand. During the first half of 2024, gains were recognised in the Statement of Comprehensive Income for €40 thousand, while €299 thousand in gains from the Statement of Comprehensive Income were reclassified to profit/loss for the period.

	FAIR VALUE
In thousands of Euros	
Piaggio & C. S.p.A.	
Interest Rate Swap	487
Commodity hedges	(86)
Immsi S.p.A.	
Interest Rate Swap	128
Interest Rate Swap	(38)

Hierarchical fair value valuation levels

IFRS 13 – *Fair value measurement* applies as from 1 January 2013. The Standard defines fair value on the basis of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of an active market or market that does not operate regularly, fair value is measured by valuation techniques.
The standard defines a fair value hierarchy:

- level 1: quoted prices in active markets for assets or liabilities measured;
- level 2: inputs other than quoted prices included within Level 1 that are observable directly (prices) or indirectly (derived from prices) on the market;
- level 3: inputs not based on observable market data.

The valuation techniques that refer to levels 2 and 3 must take into account adjustment factors that measure the risk of failure of both parties: to this end, the principle introduces the concepts of Credit Value Adjustment (CVA) and Debit Value Adjustment (DVA). The CVA allows the inclusion, in the determination of the fair value, of the credit risk of the counterparty, while the DVA reflects the insolvency risk of the Group.

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

	Carrying value	Carrying amount	Fair Value
In thousands of Euros			
High yield debenture loan	250,000	246,133	264,443
EIB RDI	35,000	34,961	33,183
EIB RDI step-up	20,000	20,000	18,670
EIB e-mobility	60,000	59,908	57,781
RCF Pool	5,000	3,505	5,015
Loan from B. Pop. Emilia Romagna	15,750	15,687	14,024
Loan from CDP	16,667	16,667	17,407
CDP e-mobility loan	26,000	26,000	27,178
Loan from Banco BPM	10,000	9,974	9,846
Loan from BNL	24,000	23,930	22,833
Loan from the former Banca Carige	3,047	3,044	2,913
Loan from CariBolzano	4,000	3,994	4,045
Loan from B.Pop. Sondrio	2,000	1,992	2,040
Loan from OLB	15,000	14,984	15,853
Schuldschein loans[1]	87,000	86,605	91,728

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

The table below shows the assets and liabilities measured at fair value as at 30 June 2024, based on fair value hierarchical levels:

In thousands of Euros	*Level 1*	*Level 2*	*Level 3*
			0
Assets measured at fair value	0	0	0
Hedging financial derivatives		2,591	0
Investment property		0	0
Other assets		0	16
Total assets	***0***	***2,591***	***16***
Liabilities measured at fair value		0	0
Hedging financial derivatives		(2,331)	0
Other liabilities		0	0
Total liabilities	***0***	***(2,331)***	***0***
Balance at 30 June 2024	***0***	***260***	***16***

Hierarchical level 1 included, as at 31 December 2023, the carrying amount of the investment held by Immsi S.p.A. in Unicredit S.p.A.; the Parent Company sold the shares held in its portfolio during the first quarter of 2024 for a total value of approximately €9.5 million, realising an increase of €2.6 million in the statement of comprehensive income compared to the figure as at 31 December 2023, as a result of the improvement in the share price recorded at the date of sale.

Hierarchical level 2 includes, under assets, the fair value recognised by Piaggio of forex hedging transactions on forecast transactions accounted for in accordance with the cash flow hedge principle (€1,865 thousand, current portion), the fair value of an Interest Rate Swap designated as hedging and accounted for in accordance with the cash flow hedge principle (€237 thousand, non-current portion and €250 thousand, current portion), the fair value of derivative instruments hedging commodities accounted for in accordance with the cash flow hedge principle (€111 thousand, current portion), and finally the fair value of the Interest Rate Swap designated as hedging recognised by Immsi S.p.A., for €128 thousand.

[1] Does not include tranches expiring within 18 months.

Liabilities mainly include Piaggio's fair value measurement of foreign exchange hedging instruments on forecast transactions recognised in accordance with the cash flow hedge principle (€2,096 thousand, current portion) and the fair value of derivative instruments hedging commodities recognised in accordance with the cash flow hedge principle (€197 thousand, current portion), as well as €38 thousand relating to the fair value of the Interest Rate Swap designated as hedging recognised by Immsi S.p.A..

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

The following table highlights the changes that occurred during the first half of 2024:

In thousands of Euros	*Level 1*	*Level 2*	*Level 3*
Balance at 31 December 2023	*6,869*	(1,195)	*16*
Gain and (loss) recognised in profit or loss		1,408	*0*
Gain (loss) recognised in the statement of comprehensive income	2,597	47	0
Increases/(Decreases)	(9,466)	0	0
Balance at 30 June 2024	***0***	***260***	***16***

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND INVESTMENTS AS AT 30 JUNE 2024

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

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

Company name	Currency	Share Capital (subscribed and paid-up)	% of Share Capital owned	% votes (if different)
Piaggio Asia Pacific PTE Ltd. Singapore – Singapore Piaggio Vespa B.V. investment: 100.00%	SGD	100,000.00	100.00%	
Piaggio Advanced Design Center Corp. Pasadena – USA Piaggio & C. S.p.A. investment: 100.00%	USD	100,000.00	100.00%	
Piaggio China Co. LTD Hong Kong – China Piaggio & C. S.p.A. investment: 100%	USD	12,181,000.00	100.00%	
Piaggio Concept Store Mantova S.r.l. Mantova - Italy Piaggio & C. S.p.A. investment: 100%	Euros	100,000.00	100.00%	
Piaggio Deutschland GmbH Düsseldorf – Germany Piaggio Vespa B.V. investment: 100.00%	Euros	250,000.00	100.00%	
Piaggio España S.L.U. Alcobendas – Spain Piaggio & C. S.p.A. investment: 100.00%	Euros	426,642.00	100.00%	
Piaggio Fast Forward Inc. Boston – USA Piaggio & C. S.p.A. investment: 83.91%	USD	15,135.98	83.91%	
Piaggio France S.A.S. Clichy Cedex – France Piaggio Vespa B.V. investment: 100.00%	Euros	250,000.00	100.00%	
Piaggio Group Americas Inc. New York – USA Piaggio Vespa B.V. investment: 100.00%	USD	2,000.00	100.00%	
Piaggio Group Japan Tokyo – Japan Piaggio Vespa B.V. investment: 100.00%	YEN	99,000,000.00	100.00%	
Piaggio Hellas S.A. Athens – Greece Piaggio Vespa B.V. investment: 100.00%	Euros	1,004,040.00	100.00%	
Piaggio Hrvatska D.o.o. Split – Croatia Piaggio Vespa B.V. investment: 100.00%	Euros	53,089.12	100.00%	
Piaggio Limited Bromley Kent – UK Piaggio Vespa B.V. investment: 99.9996% Piaggio & C. S.p.A. investment: 0.0004%	GBP	250,000.00	100.00%	
Piaggio Vehicles Private Limited Maharashtra – India Piaggio & C. S.p.A. investment: 99.9999971% Piaggio Vespa B.V. investment: 0.0000029%	INR	340,000,000.00	100.00%	
Piaggio Vespa B.V. Breda – Holland Piaggio & C. S.p.A. investment: 100%	Euros	91,000.00	100.00%	
Piaggio Vietnam Co. Ltd. Hanoi – Vietnam Piaggio & C. S.p.A. investment: 63.50% Piaggio Vespa B.V. investment: 36.50%	VND	186,468,126,000.00	100.00%	
PT Piaggio Indonesia Jakarta – Indonesia Piaggio Vespa B.V. investment: 70.71% Piaggio & C. S.p.A. investment: 29.29%	Rupiah	10,254,550,000.00	100.00%	

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

Mantova, 5 September 2024

for the Board of Directors
Chief Executive Officer

Michele Colaninno

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

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

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

of the administrative and accounting procedures for the preparation of the condensed interim financial statements in the course of the first half of 2024.

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

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

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

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

5 September 2024

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

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REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
IMMSI S.p.A.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of IMMSI S.p.A. and subsidiaries (the "IMMSI Group"), which comprise the consolidated statement of financial position as at June 30, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholder's equity, the statement of cash flows for the six month period then ended and the related explanatory notes. The Directors are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting ("IAS 34") as adopted by the European Union. Our responsibility is to express a conclusion on condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (CONSOB) for the review of the interim financial statements under Resolution n° 10867 of July 31, 1997. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of IMMSI Group as at June 30, 2024 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.
Signed by
Gianni Massini
Partner

Florence, Italy
September 12, 2024

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