



**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**

***Interim Report***  
***on***  
***Operations***

***30 September 2020***

*This Interim Financial Report as of 30 September 2020 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.*

**Immsi**

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This document was approved by the Board of Directors of Immsi S.p.A. on 12 November 2020 and is available for the public to consult at the Registered Office of the Company, in the centralised storage system "eMarket Storage" at [www.emarketstorage.com](http://www.emarketstorage.com) and on the Issuer's website [www.immsi.it](http://www.immsi.it) (section: "Investors/Financial reports/2020")

## **COMPANY BOARDS**

The Board of Directors and the Board of Statutory Auditors of Immsi S.p.A. were appointed by shareholders' resolution of 10 May 2018 and will remain in office until the date the Shareholders' Meeting is convened to approve the financial statements for the year ending 31 December 2020.

### **BOARD OF DIRECTORS**

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Roberto Colaninno	<i>Chairman</i>
Daniele Discepolo	<i>Deputy Chairman</i>
Michele Colaninno	<i>Chief Executive Officer</i>
Matteo Colaninno	<i>Director</i>
Ruggero Magnoni	<i>Director</i>
Livio Corghi	<i>Director</i>
Rita Ciccone	<i>Director</i>
Gianpiero Succi	<i>Director</i>
Patrizia De Pasquale	<i>Director</i>
Paola Mignani	<i>Director</i>
Devis Bono	<i>Director</i>

### **BOARD OF STATUTORY AUDITORS**

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Alessandro Lai	<i>Chairman</i>
Giovanni Barbara	<i>Statutory Auditor</i>
Maria Luisa Castellini	<i>Statutory Auditor</i>
Gianmarco Losi	<i>Alternate Auditor</i>
Elena Fornara	<i>Alternate Auditor</i>

### **INDEPENDENT AUDITORS**

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PricewaterhouseCoopers S.p.A.	<i>2012 - 2020</i>
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### **GENERAL MANAGER**

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Michele Colaninno

In accordance with the principles of Corporate Governance recommended by the Corporate Governance Code for Listed Companies, and pursuant to Legislative Decree No. 231/01, the Board of Directors has established the following bodies:

**REMUNERATION COMMITTEE**

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Daniele Discepolo	<b>Chairman</b>
Paola Mignani	
Rita Ciccone	

**INTERNAL CONTROL AND RISK MANAGEMENT COMMITTEE**

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Daniele Discepolo	<b>Chairman</b>
Paola Mignani	
Rita Ciccone	

**RELATED-PARTY COMMITTEE**

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Rita Ciccone	<b>Chairman</b>
Paola Mignani	
Patrizia De Pasquale	

**COMPLIANCE COMMITTEE**

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Marco Reboa	<b>Chairman</b>
Giovanni Barbara	
Maurizio Strozzi	

**APPOINTMENT PROPOSAL COMMITTEE**

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Daniele Discepolo	<b>Chairman</b>
Paola Mignani	
Rita Ciccone	

**LEAD INDEPENDENT DIRECTOR**

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Daniele Discepolo
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**CEO AND GENERAL MANAGER**

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Michele Colaninno
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**INTERNAL AUDIT MANAGER**

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Maurizio Strozzi
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**FINANCIAL REPORTING OFFICER**

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Brenda Rossi
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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](http://www.immsi.it).

## Health emergency - Covid-19

From as early on as the first few months of 2020, a factor of macro-economic instability came to the fore, connected with the spread of Covid-19, that has affected global economic activity.

Following the health emergency proclaimed by the World Health Organization (WHO), government authorities in various countries gradually issued orders to stop production and business activities, limiting people's freedom of movement in some cases.

This factor had a considerable impact on the general macroeconomic framework in the first nine months of 2020, particularly affecting the markets where the Immsi Group operates.

Specifically, the measures adopted for each reference sector are analysed below:

### Property and holding sector

The Parent Company Immsi S.p.A. is continuing to use operating procedures for its personnel, in line with general rules on protecting public health, and at the same time is guaranteeing operating continuity by arranging for staff to work at home and optimising activities.

The Company has arranged with banks to suspend and reschedule principal repayments due, up to March 2021.

As for the subsidiary Is Molas S.p.A., activities for the public resumed on 8 May, with only the golf course open. From July to mid-October, hotels were open and a request was made to restart food & beverage services, following all applicable guidelines issued by authorities and regulations to protect guests and employees.

Despite the effects of the Covid-19 pandemic, the Directors of the subsidiary Is Molas S.p.A. believe, also in light of the suspensions obtained for principal repayments, that there are no particular risks at present to the business being a going concern.

### Industrial sector

Since the virus first spread, the Piaggio group has taken all possible precautions to guarantee the safety of its employees' health at its sites. In compliance with the notice issued by the Prime Minister on 21 March 2020, production at the Group's Italian sites was stopped from 23 March 2020 to 3 May 2020.

In India, based on the lockdown measure issued on 24 March by the Indian government, production was stopped from 25 March 2020 to 18 May 2020, even though the Indian government decided on activities restarting from 4 May in areas less affected by the virus, with localized and intermittent lockdown periods in the face of new outbreaks in recent months.

In Vietnam, production was never stopped, but measures were necessary to make up for the lack of supplies from China and Malaysia.

Distribution and sales in some countries where the group operates were also stopped. Activities started up again from 14 April and have continued based on schedules decided in each of the countries where the group operates.

At the same time, remote working was extended to all employees able to work away from the office.

The group incurred costs for sanitisation, health measures and supplies of personal protective equipment for all employees based on local regulations which, where contemplated by the governments of countries where Piaggio operates, were offset by the use of social shock absorbers.

However, in the light of the trend registered in the last quarter (apart from the Indian market which is still affected by intermittent lockdowns), considering the financial structure, compliance with covenants and irrevocable and revocable loans available, there are no doubts as to the business being a going concern.

During this time of economic uncertainty, the Group has worked tirelessly to meet all commitments and to continue to support its customers and dealers as far as possible.

### Marine sector

With reference to the health emergency caused by Covid-19, the subsidiary Intermarine S.p.A. promptly took steps to adopt requirements to combat the spread of the virus and protect the community and health of its workers. The subsidiary put in place a company protocol, specific protocols and procedures to tackle the spread of Covid-19, and all internal and external staff were informed about the measures implemented and the conduct to adopt to ensure a correct management of the emergency.

In keeping with Government measures, Intermarine reached agreements with trade union organisations to furlough staff and obtained appropriate authorisations from prefectures to resume production, albeit at a reduced rate.

In economic and financial terms, the emergency caused the operating stages of ongoing contracts to be delayed from March 2020 onwards. The emergency also interrupted or slowed down sales programmes with potential customers.

In terms of loans and credit lines, the company arranged with banks to defer and re-schedule principal repayments by 6-12 months.

The Directors of the subsidiary Intermarine S.p.A., based on the above and on the specific characteristics of the business, consider that at present there are no particular risks to being a going concern, related to the effects of the Covid-19 pandemic.

## Financial highlights of the Immsi Group

The first nine months of 2020 for the Immsi Group were characterised by the global health emergency caused by the Covid-19 virus, which had a particularly negative impact on production, sales and services offered to customers, especially in industrial sectors and the tourist/hospitality industries.

All indicators were down on the figures for the first nine months of 2019: turnover decreased by 16.9%, EBITDA by 21.5% and the net profit including the portion attributable to non-controlling interests recorded was €16.1 million in the first nine months of 2020, compared to a profit of €32.8 million in the same period of 2019. Net financial debt at 30 September 2020 was equal to €823.7 million, down by €3.3 million compared to figures for the first nine months of the previous year.

Earnings for the period reflect a different performance with reference to the sectors comprising the Group, based on the different business trends and varying impact of seasonality of the period under review.

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., Pietra S.r.l., Pietra Ligure S.r.l. and RCN Finanziaria S.p.A.;
- the “industrial sector” includes the companies owned by the Piaggio group, while
- the “marine sector” includes Intermarine S.p.A. and other minor subsidiaries or associated companies of Intermarine S.p.A..

Some of the main financial data of the Immsi Group are presented below, divided by business segment and determined, as already stated, in accordance with international accounting standards (IAS/IFRS). A more detailed description of the figures below may be found further on in this paragraph.

### Immsi Group at 30 September 2020

In thousands of Euros	<i>Property and holding sector</i>		<i>Industrial sector</i>		<i>Marine sector</i>		<i>Immsi Group</i>	
		<i>as a %</i>		<i>as a %</i>		<i>as a %</i>		<i>as a %</i>
Net revenues	1,218		993,819		46,824		1,041,861	
Operating income before depreciation and amortisation (EBITDA)	-4,289	n/m	150,060	15.1%	5,095	10.9%	150,866	14.5%
Operating income (EBIT)	-5,030	n/m	63,648	6.4%	2,460	5.3%	61,078	5.9%
Profit before tax	-15,757	n/m	48,539	4.9%	841	1.8%	33,623	3.2%
Earnings for the period including non-controlling interests	-13,408	n/m	29,123	2.9%	335	0.7%	16,050	1.5%
Group earnings for the period (which may be consolidated)	-5,637	n/m	14,624	1.5%	243	0.5%	9,230	0.9%
Net debt	-326,920		-444,842		-51,952		-823,714	
Personnel (number)	112		6,312		253		6,677	



Hereunder we give the same table referring to the same period of the preceding year. A comparison between the two periods is made in the specific comment related to the single business sectors presented further on.

### Immsi Group at 30 September 2019

In thousands of Euros	<i>Property and holding sector</i>	<i>as a %</i>	<i>Industrial sector</i>	<i>as a %</i>	<i>Marine sector</i>	<i>as a %</i>	<i>Immsi Group</i>	<i>as a %</i>
Net revenues	4,066		1,200,453		49,233		1,253,752	
Operating income before depreciation and amortisation (EBITDA)	-1,860	n/m	188,808	15.7%	5,230	10.6%	192,178	15.3%
Operating income (EBIT)	-2,355	n/m	99,550	8.3%	2,633	5.3%	99,828	8.0%
Profit before tax	-14,253	n/m	81,483	6.8%	1,259	2.6%	68,489	5.5%
Earnings for the period including non-controlling interests	-13,870	n/m	46,038	3.8%	594	1.2%	32,762	2.6%
Group earnings for the period (which may be consolidated)	-7,158	n/m	23,109	1.9%	431	0.9%	16,382	1.3%
Net debt	-367,324		-405,146		-54,523		-826,993	
Personnel (number)	110		6,313		260		6,683	

The data in the previous tables refer to results that may be consolidated, i.e. net in particular of revenues and intergroup costs and any dividends of subsidiaries.

### Alternative non-GAAP performance indicators

This Report contains some indicators that, although not indicated by IFRS (“Non-GAAP Measures”), derive from IFRS financial measures.

These indicators – which are presented to allow a better assessment of the Group’s operating performance – should not be considered as an alternative to IFRS measures. They are identical to those contained in the Annual Report and Financial Statements at 31 December 2019 and in the periodical quarterly reports of the Immsi Group.

Moreover, the procedures for determining these indicators are not specifically regulated by reference accounting standards, so they might not be uniform with the measures adopted by other entities 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 financial debt (or net debt):** represented by (current and non-current) financial liabilities, minus cash on hand and other cash and cash equivalents, as well as other

(current and non-current) financial receivables. Net financial debt does not include other financial assets and liabilities arising from the fair value measurement of financial derivatives used as hedging, the fair value adjustment of related hedged items, relative deferrals, interest accrued on loans and financial liabilities related to assets held for sale. This Report includes a table indicating the items used to determine the indicator. In this respect, pursuant to the CESR recommendation of 10 February 2005 “Recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses”, the indicator thus formulated represents items and trends monitored by Group Management and differs from that suggested by Consob Communication no. 6064293 of 28 July 2006 as it also includes the non-current portion of financial receivables.

## **Form and content**

Italian Legislative Decree 25 of 2016, which implemented the new Directive *Transparency II (2013/50/EU)*, eliminated the obligation of publication of the interim report on operations. The decision to continue to publish information on the first quarter and the first nine months of the Immsi Group was taken in continuity with the past, also in the light of changes in the regulatory framework. In this regard, it should be noted that Consob, with Resolution no. 19770 of 26 October 2016, approved the amendments to the Issuer Regulations on interim reports on operations (additional periodic financial information) through the introduction of the new Article 82-ter. The new provisions shall apply from 2 January 2017.

The disclosure on subsequent events and the operating outlook is provided later in the specific paragraph of this Report.

As provided for by Consob communication no. DEM/5073567 of 4 November 2005, the Company has indicated fewer details than required by IAS 34 – Interim Financial Reporting. The information in this Report should be read together with the Consolidated Financial Statements at 31 December 2019, prepared according to IFRS.

The reclassified Income Statement and Statement of Comprehensive Income relative to the first nine months of 2020 are given below, compared to the same period of 2019, as well as the reclassified Statement of Financial Position at 30 September 2020, compared to the situation at 31 December 2019 and 30 September 2019 and the Statement of Cash Flows at 30 September 2020 compared to the same period of 2019. The Statement of changes in shareholders' equity at 30 September 2020, compared with figures for the same period of the previous year is also presented.

In the first nine months of 2020, and same period in 2019, there were no significant non-recurring transactions, as defined by Consob Communication no. DEM/6064293 of 28 July 2006, nor were there atypical or unusual transactions, as defined by Consob Communications no. DEM/6037577 of 28 April 2006 and no. DEM/6064293 of 28 July 2006.

The Financial Reporting Officer Brenda Rossi, hereby declares, in accordance with paragraph 2 of Article 154-bis of the Consolidated Finance Act, that the accounting disclosure in this document corresponds to accounting records.

The preparation of the Interim Report on Operations required the Management to make estimates and assumptions that particularly affect the reported amounts of revenues, expenses, assets and liabilities recorded in the financial statements and disclosure of contingent assets and liabilities at the closing date of the period. If in the future such estimates and assumptions deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances should change. In addition, some evaluative processes, particularly the more complex ones such as the determination of impairment losses on intangible

assets, 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 of impairment that require immediate evaluation of possible impairment of assets.

In particular, following the health emergency caused by Covid-19, the Group tested the recoverability of goodwill for impairment at 30 June 2020; no impairment to be recognised through the income statement was found. No impairment indicators have been identified in the last 90 days requiring an immediate measurement of impairment losses.

This document may include forward-looking statements, regarding future events and operating, economic and financial results of the Immsi Group. Said statements have a certain degree of risk and uncertainty by nature, since they depend on the occurrence of future events and developments. The actual results may differ even significantly compared to the forecast ones, in relation to several factors.

The Group's activities, especially those regarding the industrial sector and the tourist/hospitality industries, are subject to significant seasonal changes in sales during the year.

The financial statements are prepared using the going concern assumption. The Directors considered that despite the extraordinary uncertainty caused by the global health emergency of Covid-19 and all its consequences, currently available funds, in addition to those that will be generated from operating and financing activities, will enable the Group to meet its own needs arising from investments, management of working capital and repayment of debts, and will ensure an adequate level of operational and strategic flexibility.

As regards financial requirements over the next few months, considering the credit lines expiring in the year and the Group's financial commitments undertaken to support the development of its initiatives, the Directors have adopted, and will adopt in the next few months, actions to seek solutions that guarantee a financial balance that takes into account the possible risk of future weak share market trends, that represent an element of uncertainty as regards the extent of credit lines currently granted to Immsi; specifically, current Piaggio share prices can guarantee coverage and compliance with the VTL of loans granted to the Parent company and subsidiaries.

Specifically, the Parent Company Immsi S.p.A. and the subsidiaries Intermarine S.p.A. and Is Molas S.p.A., considering this extraordinary period of uncertainty, have requested some banks to temporarily put upcoming principal payments on hold over the next few months and/or to suspend checks on the guarantee values of Piaggio shares pledged for various credit lines. At present, some applications have already been approved, while others have been given the go ahead, with agreements being formalised.

This Interim Report on Operation is expressed in Euros since that is the currency in which most of the Group's transactions take place. Unless stated otherwise, the figures in the financial statements and explanatory notes that follow are expressed in thousands of euros.

The exchange rates used to translate the financial statements of companies included in the scope of consolidation into euros are shown in the table below:

	Spot exchange rate at 30 September 2020	Average exchange rate first nine months of 2020	Spot exchange rate at 31 December 2019	Average exchange rate first nine months of 2019
US Dollar	1.1708	1.12503	1.1234	1.12362
Pound Sterling	0.91235	0.885085	0.8508	0.883464
Indian Rupee	86.2990	83.49460	80.187	78.83009
Singapore Dollars	1.6035	1.56354	1.5111	1.53324
Chinese Yuan	7.9720	7.86593	7.8205	7.71347
Croatian Kuna	7.5565	7.53124	7.4395	7.41086
Japanese Yen	123.76	120.91083	121.94	122.56963
Vietnamese Dong	26,453.31	25,559.900000	25,746.15	25,906.44125
Canadian Dollars	1.5676	1.52176	1.4598	1.49349
Indonesian Rupiah	17,497.60	16,497.96297	15,573.69	15,929.37792
Brazilian Real	6.6308	5.71002	4.5157	4.36465

This Interim Report on Operations at 30 September 2020, which is not audited, was prepared pursuant to Italian Legislative Decree 58/1998 as amended, and to Consob Regulation on Issuers and includes reclassified consolidated financial statements and notes prepared adopting the IFRS issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union. The interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) were also taken into account.

In preparing the Interim Report on Operations at 30 September 2020, the Immsi Group adopted the same accounting standards as those used for the Consolidated Financial Statements at 31 December 2019 (to which reference is made for further details), with the exception of the following.

#### New accounting standards, amendments and interpretations adopted from 1 January 2020

*Amendments to IAS 1 and IAS 8* - In October 2018, the IASB published some amendments to IAS 1 and IAS 8 that provide clarifications on the definition of "materiality".

*Amendments to IFRS 9, IAS 39 and IFRS 7* - In September 2019, the IASB published some amendments to IFRS 9, IAS 39 and IFRS 7 with some findings on the reform determining interbank rates. The findings concern the recognition of hedging and imply that a change in the interbank rate (IBOR) should not generally cause the accounting closure of hedging operations. However, the effects of all ineffective hedging should continue to be recognised in the income statement. Given the extensive nature of hedging that involves contracts based on interbank rates, the findings will concern companies from all sectors.

*Amendments to IFRS 3* - in October 2018, the IASB published some amendments to IFRS 3 that amend the definition of “business”.

*Amendments to IFRS 16* – in May 2020, the IASB published an amendment to IFRS 16, which provides a practical expedient for the evaluation of lease agreements, if lease payments are renegotiated following Covid-19. The lessee may opt to recognise the concession in the accounts as a variable lease payment in the period when a lower payment is recognised.

These amendments have applied since 1 January 2020. The effects are considered to be negligible.

#### Accounting standards, amendments and interpretations not yet applicable

At the date of these Financial Statements, competent bodies of the European Union had not completed the approval process necessary for the application of the following accounting standards and amendments:

- In May 2017, IASB issued the new standard IFRS 17 – Insurance Contracts. The new standard will replace IFRS 4 and will be effective from 1 January 2021.
- In January 2020, the IASB published some amendments to IAS 1 that clarify the definition of "current" or "non-current" liabilities based on rights existing at the reporting date. These amendments will apply from 1 January 2022.
- In May 2020, the IASB published some limited-scope amendments to IFRS 3, IAS 16 and IAS 17 and some annual revisions of IFRS 1, IFRS 9, IAS 41 and IFRS 16. These amendments will apply from 1 January 2022.

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.

## **Scope of consolidation**

For the purposes of consolidation, the financial statements at 30 September 2020 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.

The scope of consolidation at 30 September 2020 had not significantly changed compared to the Consolidated Financial Statements at 31 December 2019 and 30 June 2019:

- the consolidated portion of shareholders' equity of the Piaggio group, which amounted to 50.21% at 30 September 2020, was equal to 50.20% at 30 September and 31 December 2019. The changes are due to the purchase of treasury shares by the subsidiary;
- the liquidation of the company Piaggio group Canada on 25 October 2019.

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 the Immsi Group structure, reference is made to the attachment to the Notes to the Half-Yearly Financial Report at 30 June 2020, to which reference is made.

# Reclassified consolidated financial statements and relative notes

## Reclassified income statement of the Immsi Group

In thousands of Euros	30.09.2020		30.09.2019		Change	
<b>Net revenues</b>	<b>1,041,861</b>	<b>100%</b>	<b>1,253,752</b>	<b>100%</b>	<b>-211,891</b>	<b>-16.9%</b>
Costs for materials	628,366	60.3%	740,603	59.1%	-112,237	-15.2%
Costs for services, leases and rentals	164,541	15.8%	208,205	16.6%	-43,664	-21.0%
Employee costs	170,204	16.3%	187,861	15.0%	-17,657	-9.4%
Other operating income	90,679	8.7%	93,890	7.5%	-3,211	-3.4%
Net reversals (write-downs) of trade and other trade receivables	-2,043	-0.2%	-1,197	-0.1%	-846	-70.7%
Other operating costs	16,520	1.6%	17,598	1.4%	-1,078	-6.1%
<b>OPERATING EARNINGS BEFORE AMORTISATION AND DEPRECIATION (EBITDA)</b>	<b>150,866</b>	<b>14.5%</b>	<b>192,178</b>	<b>15.3%</b>	<b>-41,312</b>	<b>-21.5%</b>
Depreciation and impairment costs of property, plant and equipment	37,237	3.6%	36,931	2.9%	306	0.8%
Impairment of goodwill	0	-	0	-	0	-
Amortisation and impairment costs of intangible assets with a definite useful life	52,551	5.0%	55,419	4.4%	-2,868	-5.2%
<b>OPERATING INCOME</b>	<b>61,078</b>	<b>5.9%</b>	<b>99,828</b>	<b>8.0%</b>	<b>-38,750</b>	<b>-38.8%</b>
Income/(loss) from investments	772	0.1%	624	0.0%	148	-
Financial income	21,804	2.1%	12,931	1.0%	8,873	68.6%
Borrowing costs	50,031	4.8%	44,894	3.6%	5,137	11.4%
<b>PROFIT BEFORE TAX</b>	<b>33,623</b>	<b>3.2%</b>	<b>68,489</b>	<b>5.5%</b>	<b>-34,866</b>	<b>-50.9%</b>
Taxes	17,573	1.7%	35,727	2.8%	-18,154	-50.8%
<b>EARNINGS AFTER TAXES FROM CONTINUING OPERATIONS</b>	<b>16,050</b>	<b>1.5%</b>	<b>32,762</b>	<b>2.6%</b>	<b>-16,712</b>	<b>-51.0%</b>
Gain (loss) from assets held for sale or disposal	0	-	0	-	0	-
<b>EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTERESTS</b>	<b>16,050</b>	<b>1.5%</b>	<b>32,762</b>	<b>2.6%</b>	<b>-16,712</b>	<b>-51.0%</b>
Earnings for the period attributable to non-controlling interests	6,820	0.7%	16,380	1.3%	-9,560	-58.4%
<b>EARNINGS FOR THE PERIOD ATTRIBUTABLE TO THE GROUP</b>	<b>9,230</b>	<b>0.9%</b>	<b>16,382</b>	<b>1.3%</b>	<b>-7,152</b>	<b>-43.7%</b>

## Statement of comprehensive income of the Immsi Group

	30.09.2020	30.09.2019
<b>EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTERESTS</b>	16,050	32,762
<b>Items that will not be reclassified in the income statement</b>		
Profit (losses) arising from the fair value measurement of assets and liabilities recognised in the statement of comprehensive income	(1,673)	226
Actuarial gains (losses) on defined benefit plans	(365)	(3,050)
<b>Total</b>	<b>(2,038)</b>	<b>(2,824)</b>
<b>Items that may be reclassified in the income statement</b>		
Effective portion of profit (losses) from instruments to hedge cash flows	275	100
Profit (loss) deriving from the translation of financial statements of foreign companies denominated in foreign currency	(7,072)	4,068
<b>Total</b>	<b>(6,797)</b>	<b>4,168</b>
<b>Other Consolidated Comprehensive Income (Expense)</b>	<b>(8,835)</b>	<b>1,344</b>
<b>TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD</b>	<b>7,215</b>	<b>34,106</b>
Comprehensive earnings for the period attributable to non-controlling interests	3,279	16,978
<b>COMPREHENSIVE EARNINGS FOR THE PERIOD ATTRIBUTABLE TO THE GROUP</b>	<b>3,936</b>	<b>17,128</b>

The figures in the above table are net of the corresponding tax effect.

## *Net revenues*

Consolidated net revenues at 30 September 2020 amounted to €1,041.9 million, of which 95.4%, equal to €993.8 million attributable to the industrial sector (Piaggio group), 4.5%, equal to €46.8 million, to the marine sector (Intermarine S.p.A.), and the remaining part, of approximately €1.2 million, to the property and holding sector (Immsi S.p.A. and Is Molas S.p.A. net of intergroup eliminations).

As regards the industrial sector, the Piaggio group received net revenues of €993.8 million in the first nine months of 2020, down by 17.2% compared to the same period of 2019, following production activities and sales being stopped due to the health emergency that affected the group's reference markets.

Consolidated revenues from the marine sector (Intermarine S.p.A.) amounted to €46.8 million at 30 September 2020, down by 4.9% compared to the figure of €49.2 million at 30 September 2019, in line with job order planning for the current year.

As regards the property and holding sector, net revenues (equal to €1.2 million) are not particularly comparable with the previous financial year, due to the effects of the Covid-19 health emergency that affected the subsidiary Is Molas S.p.A. and to the effects of the sale of the property of Immsi S.p.A., in Rome, in December 2019, which had generated revenues from third-party lease agreements equal to approximately €1.7 million in the first nine months of 2019.

## *Operating income before depreciation, amortisation and impairment costs of plant, property and equipment and intangible assets (EBITDA)*

Consolidated operating income before amortisation, depreciation and impairment costs (EBITDA) amounted to €150.9 million at 30 September 2020, equal to 14.5% of net revenues, down by €41.3 million compared to EBITDA for the first nine months of 2019.

The component attributable to the industrial sector (Piaggio group) amounted to €150.1 million, down by €38.7 million compared to the figure at 30 September 2019 (equal to €188.8 million), and accounting for 15.1% of sector net revenues (15.7% in the same period of 2019). The component attributable to the marine sector (Intermarine S.p.A.) was equal to €5.1 million, down slightly compared to €5.2 million at 30 September 2019. Finally, the component attributable to the real estate and holding sector amounted to a loss of €4.3 million, while in the first nine months of 2019 a loss of €1.9 million was recorded.

The main costs of the Immsi Group included personnel costs of €170.2 million, down on the figure recorded for the same period in 2019, which was equal to €187.9 million (accounting for 16.3% of net revenues, up from 15% for the first nine months of 2019). The average workforce in the first nine months of 2020 (6,652 units) was down compared to the same period of the previous year (6,834 units).

## *Operating income (EBIT)*

Operating income (EBIT) in the first nine months of 2020 amounted to €61.1 million, equal to 5.9% of net revenues. In the previous year, consolidated operating income (EBIT) in the first nine months amounted to €99.8 million, accounting for 8% of net revenues.

The component attributable to the industrial sector (Piaggio group) amounted to €63.6 million, accounting for 6.4% of sector net revenues, down compared to €99.6 million at 30 September

2019. The component attributable to the marine sector (Intermarine S.p.A.) was equal to €2.5 million, compared to €2.6 million at 30 September 2019. Lastly, the component attributable to the property and holding sector was €5 million negative, compared to €2.4 million negative in the first nine months of the previous year.

Depreciation and amortisation for the period, including impairment costs, totalled €89.8 million (down by €2.6 million compared to the figure for the first nine months of 2019), accounting for 8.6% of net revenues, compared to 7.3% for the same period of 2019, comprising depreciation of property, plant and equipment amounting to €37.2 million (€36.9 million in the first nine months of 2019) and amortisation of intangible assets for €52.6 million (€55.4 million in the same period of 2019). The item includes €6.8 million for the depreciation of rights of use (€6.1 million in the same period of 2019). Depreciation and amortisation referable to the industrial sector (Piaggio group) amounted to approximately €86.4 million, down on the figure at 30 September 2019 (€89.3 million), of which 35.6 million relative to property, plant and equipment and 50.8 million to intangible assets.

Following the Covid-19 health emergency, please note that specific impairment testing was carried out on the carrying value of goodwill recognised at 30 June 2020, with no impairment losses being recorded in the income statement. No impairment indicators have been identified in the last 90 days requiring an immediate measurement of impairment losses, therefore no impairment cost was recognised in consolidated data at 30 September 2020.

Considering that the analyses conducted to estimate the recoverable value for 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. Given the current ongoing difficulty of certain reference and financial markets, the various factors - both internal and external to cash generating units identified - used in making the estimates could be revised in future: the Group will constantly monitor these factors and the possible existence of future impairment losses.

### ***Profit before tax***

Profit before tax at 30 September 2020 amounted to €33.6 million, down on the consolidated figure for the first nine months of the previous year, which amounted to €68.5 million.

Borrowing costs, net of income and earnings from investments, amounted to €27.5 million in the first quarter of 2020, accounting for 2.6% of net revenues, with the contribution from the industrial sector amounting to €15.1 million (18.1 in the first nine months of 2019), from the marine sector amounting to €1.6 million (1.4 in the first nine months of 2019) and from the property and holding sector the remaining amount (€10.7 million in the first nine months of 2020 compared to 11.9 million in the same period of the previous year).

Net financial borrowing costs recorded in the first nine months of 2020 were therefore down on figures for the same period of the previous year (equal to €31.3 million, 2.6% of net revenues), mainly due to the reduction in average debt and positive contribution of currency management in the industrial sector, as well as the reduction in average debt for the property sector.

### ***Earnings for the period attributable to the Group***

Earnings for the period, net of taxes and the portion attributable to non-controlling interests, at 30 September 2020 recorded a profit of €9.2 million (0.9% of net revenues for the period), down by €7.2 million compared to the profit of €16.4 million registered in the same period of the previous year (1.3% of net revenues for the period).

Taxes accruing in the period represented a cost of approximately €17.6 million (during the first nine months of 2019 a cost of €35.7 million was recorded): income tax, also in view of requirements of IAS 34, was on average determined, based on the best estimate of the average weighted rate expected for the entire year.



## Earnings/(loss) per share

In Euros

From continuing and discontinued operations:	30.09.2020	30.09.2019
Basic	0.027	0.048
Diluted	0.027	0.048
Average number of shares:	340,530,000	340,530,000

Diluted earnings per share correspond to basic profit as there are no potential shares with a diluting effect.

At the end of the reporting period, no gains or losses from assets held for sale or disposal had been recognised.

## Reclassified statement of financial position of the Immsi Group

In thousands of Euros	30.09.2020	as a %	31.12.2019	as a %	30.09.2019	as a %
<b>Current assets:</b>						
Cash and cash equivalents	267,275	12.4%	212,596	10.1%	222,617	10.0%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating activities	496,562	23.1%	488,722	23.2%	549,020	24.5%
<b>Total current assets</b>	<b>763,837</b>	<b>35.5%</b>	<b>701,318</b>	<b>33.3%</b>	<b>771,637</b>	<b>34.5%</b>
<b>Non-current assets:</b>						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	855,007	39.7%	848,853	40.2%	840,861	37.6%
Property, plant and equipment	329,174	15.3%	337,988	16.0%	332,380	14.9%
Other assets	205,770	9.6%	220,879	10.5%	291,711	13.0%
<b>Total non-current assets</b>	<b>1,389,951</b>	<b>64.5%</b>	<b>1,407,720</b>	<b>66.7%</b>	<b>1,464,952</b>	<b>65.5%</b>
<b>TOTAL ASSETS</b>	<b>2,153,788</b>	<b>100.0%</b>	<b>2,109,038</b>	<b>100.0%</b>	<b>2,236,589</b>	<b>100.0%</b>
<b>Current liabilities:</b>						
Financial liabilities	436,363	20.3%	461,981	21.9%	455,091	20.3%
Operating liabilities	608,421	28.2%	634,140	30.1%	687,133	30.7%
<b>Total current liabilities</b>	<b>1,044,784</b>	<b>48.5%</b>	<b>1,096,121</b>	<b>52.0%</b>	<b>1,142,224</b>	<b>51.1%</b>
<b>Non-current liabilities:</b>						
Financial liabilities	654,626	30.4%	547,011	25.9%	594,519	26.6%
Other non-current liabilities	82,846	3.8%	91,593	4.3%	112,379	5.0%
<b>Total non-current liabilities</b>	<b>737,472</b>	<b>34.2%</b>	<b>638,604</b>	<b>30.3%</b>	<b>706,898</b>	<b>31.6%</b>
<b>TOTAL LIABILITIES</b>	<b>1,782,256</b>	<b>82.7%</b>	<b>1,734,725</b>	<b>82.3%</b>	<b>1,849,122</b>	<b>82.7%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>371,532</b>	<b>17.3%</b>	<b>374,313</b>	<b>17.7%</b>	<b>387,467</b>	<b>17.3%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,153,788</b>	<b>100.0%</b>	<b>2,109,038</b>	<b>100.0%</b>	<b>2,236,589</b>	<b>100.0%</b>

## Analysis of capital invested by the Immsi Group

In thousands of Euros	<b>30.09.2020</b>	<i>as a %</i>	<b>31.12.2019</b>	<i>as a %</i>	<b>30.09.2019</b>	<i>as a %</i>
Current operating assets	496,562	38.9%	488,722	38.7%	549,020	41.4%
Current operating liabilities	-608,421	-47.6%	-634,140	-50.2%	-687,133	-51.8%
<b>Net operating working capital</b>	<b>-111,859</b>	<b>-8.8%</b>	<b>-145,418</b>	<b>-11.5%</b>	<b>-138,113</b>	<b>-10.4%</b>
Intangible assets	855,007	66.9%	848,853	67.2%	840,861	63.4%
Property, plant and equipment	329,174	25.8%	337,988	26.8%	332,380	25.1%
Other assets	205,770	16.1%	220,879	17.5%	291,711	22.0%
<b>Capital employed</b>	<b>1,278,092</b>	<b>100.0%</b>	<b>1,262,302</b>	<b>100.0%</b>	<b>1,326,839</b>	<b>100.0%</b>
Non-current non-financial liabilities	82,846	6.5%	91,593	7.3%	112,379	8.5%
Capital and reserves of non-controlling interests	135,955	10.6%	133,883	10.6%	135,588	10.2%
Consolidated shareholders' equity attributable to the Group	235,577	18.4%	240,430	19.0%	251,879	19.0%
<b>Total non-financial sources</b>	<b>454,378</b>	<b>35.6%</b>	<b>465,906</b>	<b>36.9%</b>	<b>499,846</b>	<b>37.7%</b>
<b>Net financial debt</b>	<b>823,714</b>	<b>64.4%</b>	<b>796,396</b>	<b>63.1%</b>	<b>826,993</b>	<b>62.3%</b>

### *Capital employed*

Capital employed at 30 September 2020 amounted to €1,278.1 million, up by €15.8 million compared to 31 December 2019, while this figure amounted to €1,326.8 million at 30 September 2019.

Net operating working capital at 30 September 2020 was €111.9 million negative, compared to the figure of € -145.4 million at 31 December 2019 and -138.1 at 30 September 2019 million euros.

Intangible assets increased compared to 31 December 2019 and 30 September 2019, and were equal to €855 million; property, plant and equipment decreased by €8.8 million compared to the figure at the end of 2019, and by €3.2 million compared to 30 September 2019.

### **Net financial debt of the Immsi Group**

The net financial debt of the Immsi Group, equal to €823.7 million at 30 September 2020, is analysed below and compared with the same data at 31 December 2019 and 30 September 2019.

In this respect, it is recalled that - in conformity with the CESR recommendation of 10 February 2005 "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses" - the indicator, as formulated, represents the items and activities monitored by the Group's management.

In thousands of Euros	30.09.2020	31.12.2019	30.09.2019
<b>Short-term financial assets</b>			
Cash and cash equivalents	-267,275	-212,596	-222,617
Financial assets	0	0	0
<b>Total short-term financial assets</b>	<b>-267,275</b>	<b>-212,596</b>	<b>-222,617</b>
<b>Short-term financial payables</b>			
Bonds	11,038	11,022	11,022
Payables due to banks	356,453	382,759	374,213
Amounts due under leases	1,175	1,161	1,153
Amounts due to other lenders	67,697	67,039	68,703
<b>Total short-term financial payables</b>	<b>436,363</b>	<b>461,981</b>	<b>455,091</b>
<b>Total short-term financial debt</b>	<b>169,088</b>	<b>249,385</b>	<b>232,474</b>
<b>Medium/long-term financial assets</b>			
Receivables for loans	0	0	0
Other financial assets	0	0	0
<b>Total medium/long-term financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Medium/long-term financial payables</b>			
Bonds	271,792	282,099	281,344
Payables due to banks	361,389	242,560	291,219
Amounts due under leases	5,979	6,862	7,156
Amounts due to other lenders	15,466	15,490	14,800
<b>Total medium/long-term financial payables</b>	<b>654,626</b>	<b>547,011</b>	<b>594,519</b>
<b>Total medium/long-term financial debt</b>	<b>654,626</b>	<b>547,011</b>	<b>594,519</b>
<b>Net financial debt *)</b>	<b>823,714</b>	<b>796,396</b>	<b>826,993</b>

\*) The indicator does not include financial assets and liabilities arising from the fair value measurement of financial derivatives used for hedging, the fair value adjustment of relative hedged items, related accruals and interest on loans.

At 30 September 2020 the Group had reduced its net debt compared to 30 September 2019 by approximately €3.3 million: this change is mainly reflected in the lower short-term net debt, only partially offset by a higher medium/long-term debt.

The increase in the net financial debt of the Group at 30 September 2020 compared to the end of 2019, equal to approximately €27.3 million, is mainly due to the increase in medium/long-term bank debt, only partially offset by current bank debt.

### ***Investments***

The Group's gross investments at 30 September 2020 totalled €90.6 million compared to €93.8 million in the first nine months of 2019 (of which 88 million referred to the Piaggio group). These investments refer to €60.1 million relative to intangible assets (€61.5 million in the first nine months of 2019) and €30.4 million relative to property, plant and equipment (compared to €32.3 million in the same period of the previous year).

## Cash flow statement of the Immsi Group

In thousands of Euros	30.09.2020	30.09.2019
<b>Operating activities</b>		
Profit before tax	33,623	68,489
Depreciation of property, plant and equipment (including investment property)	37,237	36,931
Amortisation of intangible assets	52,551	55,136
Provisions for risks and for severance indemnity and similar obligations	13,670	15,708
Write-downs (reversals of fair value measurements)	3,950	2,379
Losses / (Gains) on the disposal of property, plant and equipment (including investment property)	(108)	(38)
Financial income	(969)	(2,946)
Dividend income	(25)	(111)
Borrowing costs	33,098	34,796
Amortisation of grants	(3,546)	(4,332)
Change in working capital	(42,106)	54,023
Change in non-current provisions and other changes	(13,736)	(40,367)
<b>Cash generated from operating activities</b>	<b>113,639</b>	<b>219,668</b>
Interest paid	(21,603)	(26,125)
Taxes paid	(11,836)	(23,666)
<b>Cash flow from operations</b>	<b>80,200</b>	<b>169,877</b>
<b>Investing activities</b>		
Acquisition of subsidiaries, net of cash and cash equivalents	(217)	(212)
Investment in property, plant and equipment (including investment property)	(30,505)	(32,344)
Sale price, or repayment value, of plant, property and equipment (including investment property)	325	85
Investments in intangible assets	(60,072)	(61,452)
Sale price, or repayment value, of intangible assets	8	41
Collected interests	796	515
Sale price from assets held for sale or disposal	0	(5)
Public grants collected	954	2,114
Dividends from investments	25	111
<b>Cash flow from investing activities</b>	<b>(88,686)</b>	<b>(91,147)</b>
<b>Financing activities</b>		
Loans received	228,216	72,646
Outflow for repayment of loans	(144,082)	(99,560)
Repayment of finance leases and for rights of use	(7,198)	(5,599)
Outflow for dividends paid to non-controlling interests	(9,779)	(25,802)
<b>Cash flow from financing activities</b>	<b>67,157</b>	<b>(58,315)</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>58,671</b>	<b>20,415</b>
<b>Opening balance</b>	<b>212,055</b>	<b>195,968</b>
Exchange differences	(3,452)	5,803
<b>Closing balance</b>	<b>267,274</b>	<b>222,186</b>

This schedule illustrates the changes in cash and cash equivalents totalling €267.3 million at 30 September 2020 (of which 222.6 million at 30 September 2019), gross of short-term bank overdrafts. At 30 September 2020, the Group had short-term bank overdrafts for a small amount (1 thousand euros), while at 30 September 2019 they amounted to 0.4 million euros.

## Total shareholders' equity and equity attributable to the Immsi Group

In thousands of Euros	<b>Consolidated shareholders' equity attributable to the Group</b>	<b>Capital and reserves of non- controlling interests</b>	<b>Total Group and non- controlling interests consolidated shareholders' equity</b>
<b>Balances at 1 January 2019</b>	<b>234,986</b>	<b>144,389</b>	<b>379,375</b>
<i>Distribution of dividends</i>	0	(25,802)	(25,802)
<i>Other changes</i>	(235)	23	(212)
<i>Net comprehensive earnings for the period</i>	17,128	16,978	34,106
<b>Balances at 30 September 2019</b>	<b>251,879</b>	<b>135,588</b>	<b>387,467</b>

In thousands of Euros	<b>Consolidated shareholders' equity attributable to the Group</b>	<b>Capital and reserves of non- controlling interests</b>	<b>Total Group and non- controlling interests consolidated shareholders' equity</b>
<b>Balances at 1 January 2020</b>	<b>240,430</b>	<b>133,883</b>	<b>374,313</b>
<i>Distribution of dividends</i>	0	(9,779)	(9,779)
<i>Other changes</i>	(8,789)	8,572	(217)
<i>Net comprehensive earnings for the period</i>	3,936	3,279	7,215
<b>Balances at 30 September 2020</b>	<b>235,577</b>	<b>135,955</b>	<b>371,532</b>

## Human resources

At 30 September 2020, the Immsi Group employed 6,677 staff, of which 112 in the property and holding sector, 6,312 in the industrial sector (Piaggio group) and 253 in the marine sector (Intermarine S.p.A.). The following tables divide resources by category and geographic segment:

### Human resources by category

numbers	30.09.2020			
	Property and holding sector	Industrial sector	Marine sector	Group total
Senior management	5	106	6	117
Middle managers and white-collar workers	35	2,318	142	2,495
Blue-collar workers	72	3,888	105	4,065
<b>TOTAL</b>	<b>112</b>	<b>6,312</b>	<b>253</b>	<b>6,677</b>
numbers	31.12.2019			
	Property and holding sector	Industrial sector	Marine sector	Group total
Senior management	5	106	6	117
Middle managers and white-collar workers	35	2,375	147	2,557
Blue-collar workers	28	3,741	109	3,878
<b>TOTAL</b>	<b>68</b>	<b>6,222</b>	<b>262</b>	<b>6,552</b>
numbers	Changes			
	Property and holding sector	Industrial sector	Marine sector	Group total
Senior management	0	0	0	0
Middle managers and white-collar workers	0	-57	-5	-62
Blue-collar workers	44	147	-4	187
<b>TOTAL</b>	<b>44</b>	<b>90</b>	<b>-9</b>	<b>125</b>

### Human resources by geographic segment

numbers	30.09.2020			
	Property and holding sector	Industrial sector	Marine sector	Group total
Italy	112	3,369	253	3,734
Rest of Europe	0	173	0	173
Rest of the World	0	2,770	0	2,770
<b>TOTAL</b>	<b>112</b>	<b>6,312</b>	<b>253</b>	<b>6,677</b>
numbers	31.12.2019			
	Property and holding sector	Industrial sector	Marine sector	Group total
Italy	68	3,199	262	3,529
Rest of Europe	0	175	0	175
Rest of the World	0	2,848	0	2,848
<b>TOTAL</b>	<b>68</b>	<b>6,222</b>	<b>262</b>	<b>6,552</b>
numbers	Changes			
	Property and holding sector	Industrial sector	Marine sector	Group total
Italy	44	170	-9	205
Rest of Europe	0	-2	0	-2
Rest of the World	0	-78	0	-78
<b>TOTAL</b>	<b>44</b>	<b>90</b>	<b>-9</b>	<b>125</b>

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. During lockdown, the Group obviously used fewer temporary staff.

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 2019 prepared pursuant to Legislative Decree 254/2016.

## Directors' comments on operations

As already stated, in the first nine months of 2020, the Immsi Group was affected by the impact of the Covid-19 global health emergency which developed during the year.

Final results for the period have different trends with reference to the various sectors comprising the Group, based on business trends and the different impact of seasonality.

### Property and holding sector

In thousands of Euros	30.09.2020	as a %	30.09.2019	as a %	Change	as a %
Net revenues	1,218		4,066		-2,848	-70.0%
Operating income before depreciation and amortisation (EBITDA)	-4,289	n/m	-1,860	n/m	-2,429	-130.6%
Operating income (EBIT)	-5,030	n/m	-2,355	n/m	-2,675	-113.6%
Profit before tax	-15,757	n/m	-14,253	n/m	-1,504	-10.6%
Earnings for the period including non-controlling interests	-13,408	n/m	-13,870	n/m	462	3.3%
Group earnings for the period (which may be consolidated)	-5,637	n/m	-7,158	n/m	1,521	21.3%
Net debt	-326,920		-367,324		40,404	11.0%
Personnel (number)	112		110		2	1.8%

Overall, the **property and holding sector** reported a net loss for consolidation purposes of €5.6 million in the first nine months of 2020, compared to a net loss for consolidation purposes of €7.2 million in the first nine months of 2019. Net debt for the sector amounted to €326.9 million, compared with €317.6 million and €367.3 million at 31 December 2019 and 30 September 2019 respectively.

The operating outlook of main companies belonging to the sector in the first three months of 2020 is described below, with reference to the separate financial statements of each company (therefore including intergroup eliminations).

In the first nine months of 2020, the **Parent Company Immsi S.p.A** posted revenues equal to €1.5 million, down on the same period of 2019; this figure is not particularly comparable with the previous year due to the effects of the sale of the property of Immsi S.p.A., in Rome, in December 2019, which had generated revenues from lease agreements in the first nine months of 2019 equal to approximately €2 million.

Operating income (EBIT) at 30 September 2020 amounted to €1.9 million negative (down on €0.5 million negative in the first nine months of the previous year), affected by the above lack of revenues from third-party rentals, while the net profit amounted to 12.2 million euros, a decrease compared to the profit of 26 million euros at 30 September 2019 mainly as a result of lower dividends received.

The Parent Company carried out specific impairment testing, at a consolidated level, on the carrying value of goodwill recognised at 30 June 2020, with no impairment losses being recorded in the income statement. No impairment indicators have been identified in the last 90 days requiring an immediate measurement of any impairment losses. Therefore no impairment cost is recognised in consolidated data. Specific impairment testing on the carrying value of investments

held in companies consolidated on a line-by-line basis was not carried out, as these investments and any changes arising from relative impairment testing would have been entirely eliminated during consolidation.

The net financial position at 30 September 2020 amounted to €0.2 million positive, down compared to €12.5 million positive at 31 December 2019, mainly because of the capital consolidation of the subsidiaries RCN Finanziaria S.p.A. and ISM Investimenti S.p.A. with reserves for the subscription of future capital increases through waivers of financial receivables with subsidiaries.

As regards initiatives in the **property sector** and in particular with reference to the subsidiary **Is Molas S.p.A.**, work site activities relative to the construction of the first 15 villas and first section of primary services were completed and the company handed over the four finished mock-up villas and the remaining 11 villas at an advanced construction stage, so that potential customers could select the flooring and interior finishes. The company has considered renting mock-up villas to enable end customers, including investors, to better understand the product and its services. At the same time, the company is continuing marketing activities to identify buyers, also at international level.

Due to the effects of the pandemic, revenues from the tourist/hospitality industry and golfing in the first nine months of 2020 (equal to €1.2 million) decreased by approximately €1.2 million compared to the amount posted in the same period of the previous year. In terms of margins, the company recorded an operating loss of approximately €2.7 million and a net loss for consolidation purposes equal to €3.9 million, down on the figure recorded for the same period of 2019.

Net debt of the company amounted to €72.7 million, with a cash flow absorption of €4.4 million compared to 31 December 2019 (when it stood at €68.3 million) due to net cash flows used by operations.

With reference to the Pietra Ligure project, activities aimed at identifying potential parties interested in development of the Project continued.

The net result for consolidation purposes of **Pietra S.r.l.** in the first nine months of 2020 was essentially break-even, in line with the same period of the previous year, and net financial debt was basically unchanged compared to 31 December 2019, amounting to €2.8 million.

**Pietra Ligure S.r.l.**, a subsidiary of Pietra S.r.l. and which incorporates the property complex of Pietra Ligure with related Planning Permissions and Agreements, recorded an operating loss for consolidation purposes of €0.5 million, in line with the first nine months of 2019, and an increase in net financial debt from €2.2 million to €2.8 million, in addition to financial debt relative to the discounting of cash flows related to the above concession (as provided for in IFRS 16) amounting to approximately €6 million.

With reference to the subsidiary **Apuliae S.r.l.** no further information is available in addition to comments in the Directors' Report on Operations and Financial Statements of the Immsi Group at 31 December 2019, to which reference is made. At 30 September 2020, the company posted a substantial break-even position, with net financial debt unchanged from 31 December 2019 and amounting to €0.8 million.

Other companies in the property and holding sector include RCN Finanziaria S.p.A. and ISM Investimenti S.p.A.:

- **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 of approximately €3 million and net financial debt of €124.2 million at 30 September 2020, basically unchanged compared to the figure at 31 December 2019;
- **ISM Investimenti S.p.A.**, is held by Immsi S.p.A. with a share of 72.64% in terms of voting rights and the parent company Is Molas S.p.A. with a share of 92.59% at 30 September



2020. Considering the different equity rights of the two shareholders and analysis of impairment testing, the portion of consolidated shareholders' equity of ISM Investimenti S.p.A. was estimated to be equal to 41.81% at 30 September 2020. ISM Investimenti S.p.A. recorded a net loss for consolidation purposes for the Immsi Group of approximately €2.9 million, down slightly on the figure of €2.7 million in the same period of 2019, and net financial debt at 30 September 2020 equal to €123.9 million, a decrease of approximately €8.1 million compared to the figure at 31 December 2019, mainly due to Immsi S.p.A.'s waiver of financial receivables, converting them into reserves for future capital increases.

## Industrial sector

In thousands of Euros	30.09.2020	as a %	30.09.2019	as a %	Change	as a %
Net revenues	993,819		1,200,453		-206,634	-17.2%
Operating income before depreciation and amortisation (EBITDA)	150,060	15.1%	188,808	15.7%	-38,748	-20.5%
Operating income (EBIT)	63,648	6.4%	99,550	8.3%	-35,902	-36.1%
Profit before tax	48,539	4.9%	81,483	6.8%	-32,944	-40.4%
Earnings for the period including non-controlling interests	29,123	2.9%	46,038	3.8%	-16,915	-36.7%
Group earnings for the period (which may be consolidated)	14,624	1.5%	23,109	1.9%	-8,485	-36.7%
Net debt	-444,842		-405,146		-39,696	-9.8%
Personnel (number)	6,312		6,313		-1	0.0%

At 30 September 2020, the Piaggio group had sold 353,900 vehicles worldwide (479,200 in the first nine months of 2019). Due to the health crisis already referred to, all markets recorded a downturn, apart from Asia Pacific 2W (+2.0%): this decline was less marked in EMEA and Americas (-6.8%), while in India the number of vehicles sold fell by 55.9%.

Consolidated net revenues of the Piaggio group were equal to €993.8 million, down by 17.2% compared to the figure of €1,200.5 million at 30 September 2019, negatively affected by the Covid-19 health emergency that resulted in production and commercial activities being stopped for several weeks in many countries.

EBITDA was equal to €150.1 million at 30 September 2020, down by 20.5% (-21% at constant exchange rates) compared to €188.8 million at 30 September 2019. The EBITDA margin was equal to 15.1% (15.7% at 30 September 2019).

Operating income (EBIT) amounted to €63.6 million, down on the figure for the first nine months of 2019. The EBIT margin was equal to 6.4% (8.3% at 30 September 2019).

Profit before tax amounted to €48.5 million, down by €81.5 million compared to 30 September 2019. Income taxes for the period amounted to €19.4 million, equivalent to 40% of profit before tax.

Net profit of the Piaggio group stood at €29.1 million in the first nine months of 2020, also down on the figure for the same period of the previous year, which amounted to €46.0 million (3.8% of turnover).

Net financial debt at 30 September 2020 was equal to €444.8 million, compared to €429.7 million at 31 December 2019. The increase is due to the cash flow absorption of working capital and investments in development costs capitalised and tangible and intangible fixed assets. Net financial debt increased by approximately €39.7 million compared to 30 September 2019.

## Marine sector

In thousands of Euros	30.09.2020	as a %	30.09.2019	as a %	Change	as a %
Net revenues	46,824		49,233		-2,409	-4.9%
Operating income before depreciation and amortisation (EBITDA)	5,095	10.9%	5,230	10.6%	-135	-2.6%
Operating income (EBIT)	2,460	5.3%	2,633	5.3%	-173	-6.6%
Profit before tax	841	1.8%	1,259	2.6%	-418	-33.2%
Earnings for the period including non-controlling interests	335	0.7%	594	1.2%	-259	-43.6%
Group earnings for the period (which may be consolidated)	243	0.5%	431	0.9%	-188	-43.6%
Net debt	-51,952		-54,523		2,571	4.7%
Personnel (number)	253		260		-7	-2.7%

With reference to the income data of the **marine sector** (Intermarine S.p.A.), during the first nine months of 2020, net sales revenues (consisting of sales and changes in work in progress) amounted to €46.8 million, compared to €49.2 million in the corresponding period of 2019. Production progress, including research and development, and the completion of constructions and deliveries, concerned in particular:

- the Defence division, with €35.9 million (40.4 million in the first nine months of 2019), mainly due to progress with the job order for the modernisation of Gaeta Class minesweepers for the Italian Navy, and the second and third integrated minesweeper platform for an Italian sector operator;
- the Fast Ferries and Yacht divisions, with a total of €10.9 million (8.8 million during the first nine months of 2019), mainly for activities at the Messina shipyard.

In view of the above, an operating income (EBIT) of €2.5 million was recorded for the first nine months of 2020, in line with the same period of the previous year (when an income of €2.6 million was recorded). Profit before tax amounted to €0.8 million (compared to a profit of €1.3 million in the same period of 2019), while the net profit for consolidation purposes for the Immsi Group amounted to €0.2 million at 30 September 2020, compared to a profit of €0.4 for million the same period of the previous year.

The orders portfolio at 30 September 2020 was equal to approximately €68 million and referred to the following:

- the Italian Navy, for the Gaeta refitting programme of €15 million,
- the Italian Navy, for a contract for 2 very high-speed multi-functional naval vessels for €4 million,

- the Guardia di Finanza for €3 million,
- integrated mine sweeper platforms for an Italian operator for €42 million,
- a contract with the Ministry of Infrastructure and Transport - Harbour Offices for €4 million.

With reference to the application for arbitration received by Intermarine at the end of July 2020, overseen by the International Chamber of Commerce of Paris, by foreign banks that had granted an Asian customer a pooled loan for a contract to construct 6 minesweepers for the Navy of an Asian country and to construct a shipyard in a foreign country, the company does not consider potential liabilities affecting its financial position and performance at 30 September 2020 to be likely or possible.

In the first months of 2020, the company also pursued all possibilities to contain structural costs and business activities in all its business operations, in search of favourable business opportunities.

Net financial debt at 30 September 2020 amounted to €52 million, up on the balance at 31 December 2019 equal to €49 million, but down on the balance of €54.5 million at 30 September 2019.

## Events occurring after 30 September 2020 and operating outlook

From as early on as the first few months of 2020, a factor of macro-economic instability came to the fore, connected with the spread of Covid-19, which initially affected economic activity in China and then other countries. As can be seen from data available on world economic performance, this factor has had a considerable impact on global prospects for future growth, affecting the general macroeconomic framework and financial and property markets, despite decisions already taken by international authorities to support the recovery.

Forecasts for the last quarter of the year are complex however, as they depend on how the Covid-19 emergency continues to unfold – with the virus spreading quickly in Europe in October – and on the government measures taken to limit the spread and to support the economy in countries where the Group is present.

As regards the **industrial sector**, and in this context, Piaggio will continue to work to meet its commitments and targets, keeping all measures in place to manage the crisis caused by the pandemic until necessary, and to respond with a flexible and immediate approach to unexpected and difficult situations that could occur in the last few months of 2020, thanks to an increasingly efficient cost structure.

With reference to subsequent events at 30 September 2020, the European Investment Bank (EIB) and the Piaggio group signed a 7-year, €30 million loan agreement, to support Research and Development projects set out in the Investment Plan, which will be carried out at Italian Piaggio group sites over the 2019-2021 period.

Also with reference to the **marine sector**, in economic and financial terms, it is not possible at present to predict how the health emergency will unfold and what the impacts will be on the economy. Despite this difficult general context, production progress will be made on job orders acquired, and commercial activities in all the company's business sectors will continue, seeking favourable commercial opportunities; management will continue to take all actions to keep costs down, and will carry out all activities necessary to obtain further job orders enabling it to increase its orders portfolio and consequently optimise production capacity over the next few years.

As regards **the property sector and tourist/hospitality industry**, like the Group's other reference sectors, it is hard to predict possible developments in the health emergency; in particular, it is not possible to predict the negative financial and economic impacts on Is Molas, but the company is continuing with commercial activities to identify possible buyers, also at international level.