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Diffusione presunta

Oggetto : BoD of Piquadro S.p.A. Approval of the
Draft Financial Statements and the
Consolidated Financial Statements for the
Year ended 31 March 2020

Testo del comunicato

Vedi allegato.



Board of Directors of Piquadro S.p.A.
Approval of the Draft Financial Statements and the Consolidated Financial Statements for the Year ended 31 March 2020

- **Consolidated revenues: € 152.2 million** (3.2% more than the year ended 31 March 2019);
- **EBITDA: 13.0 million**;
- **Adjusted EBITDA¹: € 0.50 million** (up € 1.3 million compared to *Adjusted Ebitda* of 2018/19);
- **EBIT: € (6.75) million**; (including 3.4 million of write off related to the impairment tests of the Group's Rights of Use due to impact of adoption of IFRS 16)
- **Adjusted EBIT¹: (3.40) million** (up € 1.0 million compared to *Adjusted Ebit* of 2018/19);
- **Consolidated Net Result: € (7.75) million** (including net impact tax effects of accounting principle IFRS 16 – impairment and financial charges –
- **Net Financial Position:** negative and equal to € (36.0) million including approximately € 53.6 million of financial payables due to impact of adoption of IFRS 16.
- **Adjusted Net Financial Position¹: positive and equal to € 17.5 million.**

Silla di Gaggio Montano, 23 July 2020 – Piquadro S.p.A., company that designs, produces and markets leather goods, today approved the draft financial statements for the year 1 April 2019 – 31 March 2020 and the consolidated financial statements for the same period.

For the financial year 2019/2020 ending March 31, 2020, the Piquadro Group reported revenues of **152.2 million** Euro with a **3.2% increase** compared to the 147.5 million Euro reported in financial year 2018/2019 ended March 31, 2019. The increase in revenues was mainly determined by the full consolidation of twelve months' sales of **Maison Lancel** (versus ten months in the previous financial year closed on March 31, 2019) and by a **0.6%** increase in sales from the **The Bridge brand**

With reference to the **Piquadro brand**, for the financial year 2019/2020, ended 31 March 2020, sales amounted to Euro **72.0 million** and recorded a **5.1% decrease** compared to financial year 2018/2019 ended March 31, 2019. This decrease was mainly driven by both lower sales in the Wholesale channel, which was down 8.2%, and which accounted for 56.3% of the total Piquadro brand turnover, and a 0.6% decrease in DOS sales (which include Piquadro's **webstore** with sales **growing by 27.3%**), which accounted for 43.7% of the total Piquadro brand turnover.

With reference to the **The Bridge brand**, for the financial year 2019/2020, ended 31 March 2020, sales amounted to Euro **26.7 million** and it recorded a **0.6% increase** compared to financial year 2018/2019 ended March 31, 2019; sales of the Wholesale channel decreased by 3.7%, and account for 65.9% of the total The Bridge brand turnover, while DOS sales (which include The Bridge's

¹ With the introduction of the new accounting standard IFRS 16, starting from April 1st 2019, a new accounting treatment of leases is introduced, which generates a significant effect on EBITDA, EBIT, net invested capital, net financial position and cash flow generated from operational activity. For this reason, in this press release the "adjusted" balances of the aforementioned amounts are also reported in order to make the figures for March 31st 2020 comparable with those of previous periods



webstore with sales **growing by 33.8%**), which accounted for 34.1% of the total The Bridge brand turnover increased by **9.9%**.

Revenues from sales by **Maison Lancel** in the financial year 2019/2020 ended March 31, 2020 amounted to Euro **53.6 million** and contributed to the growth of the Group turnover by 13,9% (revenues recorded in the first ten months of financial year 2018/2019 were equal to Euro 45.1 million but only referred to the period from June 2018 to March 2019 months of Lancel's inclusion within the consolidation area of the Piquadro Group). Lancel's sales from the DOS channel (which also includes the webstore) represent 84.4% of the brand revenues.

As a result of the rapid spread of the pandemic known as Covid-19, which also resulted in the banning and blocking of commercial activities and international traffic and the closure of the majority of Piquadro brand and The Bridge brand direct stores, starting from March 11, 2020, and the Maison Lancel brand direct stores, starting from March 14, 2020 in the last quarter of the year (i) the revenues of the Piquadro brand have decreased overall by 27.8% compared to the same period of the previous year in which the DOS channel (which includes the Piquadro's e-commerce site) has decreased by 16% and the Wholesale channel by 35.2%; (ii) the revenues of The Bridge brand have decreased overall by 28.7% compared to the same period of the previous year in which the DOS channel (which includes The Bridge's e-commerce site) has decreased by 12% and the Wholesale channel by 38.2% and (iii) the revenues of Lancel have decreased overall by 16.5% compared to the same period of the previous year in which the DOS channel (which includes Lancel's e-commerce site) has decreased by 16.6% and the Wholesale channel by 16.3%.

Under a geographic point of view, as of March 31, 2020, the Group's revenues amounted to Euro **76.2 million** and highlighted a **4.3% decrease** on the **Italian market**, which absorbs a percentage of the Group's total turnover equal to 50.0% (54.0% of consolidated sales at March, 31 2019).

In the European market, the Group recorded a turnover of Euro **72.0 million**, equal to 47.3% of consolidated sales (43.0% on March 31, 2019), with a **13.6% increase** compared to financial year 2018/2019. The increase in revenues was mainly determined by the introduction of Lancel into the consolidation area in June 2018 (growth contribution equal to approx. 14.0%).

In the non-European geographical area (named "**Rest of the World**") the Group recorded a turnover of Euro **4.1 million** equal to 2.7% of consolidated sales (3.1% at March 31, 2019), with a **444 thousand Euro decrease**, compared to financial year 2018/2019 ended March 31, 2019.

In terms of profitability, the Piquadro Group recorded an **EBITDA** of around **€13.0 million** as of March 31, 2020 including € 12.5 positive effects of accounting principle IFRS 16.

The **adjusted EBITDA**¹, defined as EBITDA net of the impacts deriving from the application of IFRS 16, is equal to € 0.5 million and it has increased to €1.3 million compared to the €(0.82) million recorded in the previous fiscal year ended March 31, 2019.

The **adjusted EBITDA**¹ of the **Piquadro brand** as of March 31, 2020 is equal to € 6.90 million with a decrease of 35.8% compared to financial 2018/2019 ended March 31, 2019.

The **adjusted EBITDA**¹ of **The Bridge** as of March 31, 2020 is equal to €1.43 million and it has increased to 0.20 million compared to the previous year ended March 31, 2019.

The **adjusted EBITDA**¹ of the **Maison Lancel** as of March 31, 2020 is equal to € (7.82) million and compares with the € (12.8) million at March 31, 2019, which included €1.4 million of acquisition costs and related to only 10 months (June 2018 – March 2019).

Piquadro Group recorded an **EBIT** of around **€ (6.75) million** as of March 31, 2020 including € 3.4 negative effects of accounting principle IFRS 16 and impairment testing process for Group's directed operated stores.



The **adjusted EBIT**¹, defined as EBIT net of the impacts deriving from the application of IFRS 16, is equal to € (3.4) million and it has increased to €1.0 million compared to the €(4.3) million recorded in the previous fiscal year ended March 31, 2019.

Piquadro Group recorded a **Consolidated Net Result** of around **€ (7.7) million** as of March 31, 2020 including € 3.1 negative effects of accounting principle IFRS 16, impairment testing process for Group's directed operated stores net of related taxation.

The **Net Financial Position** of the **Piquadro Group** was **negative** and equal to **€(36.0) million**. The impact of the application of the new accounting standard IFRS 16 was equal to approximately € 53.6 million with a minus sign.

The **adjusted Net Financial Position**¹ of the Piquadro Group, was **positive** and equal to approximately **€17.5 million**, compared to the Group's positive figure of approximately €25.6 million recorded on March 31, 2019. The variation in the **adjusted Net Financial Position** of the Piquadro Group at March 31, 2020 compared to the Net Financial Position recorded around the same period of the previous year, is explained by the payment of €4.0 million dividends, investments of € 3,9 million in fixed, intangible and financial assets, by €2.3 million for a decrease in working capital and € 2.4 million increase in tax receivable and deferred tax assets .

COVID-19

The "Covid-19" pandemic spread from January 2020 in China and Asia first, and then -from February and March 2020 - in Europe and America, and the consequent measures introduced by the public and government authorities of the Countries affected by the emergency in order to contain the spread of the virus, had a very serious impact on the personal and professional life of people and, of course, of the companies.

In fact, the emergency regulatory actions involved, among other things, the prohibition and/or restriction on the mobility and circulation of people and goods and the closure of commercial activities and sales to the public (so-called *lockdown*), as well as restrictions on industrial and production activities, having an extraordinarily negative impact on tourist flows throughout the world and, consequently, on market trends, leading to the closure of most of the Piquadro Group's distribution network.

The Piquadro Group immediately faced this new and difficult scenario, complying with all the requirements set by the Italian Government and the governments and public authorities of the countries in which the Piquadro Group operates by implementing exceptional measures aimed at ensuring maximum protection of the health of its employees and collaborators, as well as that of its reputation.

The prevention, mitigation and adjustment measures undertaken by the Group concerned, among other things, (i) labour law aspects relating to relations with employees and safety in the workplace, (ii) agreements with the management of Group companies, (iii) access and use of the temporary layoff benefit schemes, (iv) the temporary closure of stores directly managed in Italy and France.

The Piquadro Group has also undertaken various initiatives to support the territory, the community and local healthcare.

"The extraordinary and unpredictable context had a significant impact on the last quarter, compromising the results achieved in the first nine months ended 31 December 2019" comments Marco Palmieri, Chairman and CEO of the Piquadro Group. "In the light of the shock caused by the COVID19, we promptly implemented all possible measures to mitigate the effects of the pandemic both from an economic and financial point of view. The restructuring of Maison Lancel also had a significant impact on the Group's fiscal year results, but we have evidence that the recovery path is correctly set. The Group's financial solidity is evidenced by the positive adjusted net financial position of EUR 17.5 million at March 31, 2020. In the difficulty of making forecasts for the coming months, the evidence leads us to suppose that the second quarter (July-September) will see a lower decline in sales than the first (April-June), with a recovery in sales, although remaining lower than last year's levels".



Results of parent company Piquadro S.p.A.

The parent company generated net sales of € **69.72** million in the year ended 31 March 2020, 4.2% less than in the previous year. Negative sales performance was determined by the negative performance in the domestic markets (7.0%) compared to the same period of the previous year while sales were increasing in European market (+8.6%) compared to the same period of the previous year.

Parent company **EBITDA** reached € 10.39 million in the year ended 31 March 2020, including € 3.98 million of positive effects of accounting principle IFRS 16.

Parent company **EBIT** reached € 4.09 million in the year ended 31 March 2020, including 0.17 million of negative effects of accounting principle IFRS 16 and impairment testing process on Group's directly stores.

Parent company **Net Result** reached € 3.4 million in the year ended 31 March 2020, including 0.4 million of negative effects of accounting principle IFRS 16, impairment testing process for Group's directed stores net of related taxation.

The **Net financial Position** of the parent company on 31 March 2020, a negative € 28.2 million, was € 15.9 million worse than the indebtedness reported at 31 March 2019, negative and equal to € 12.3 million. The change in Net Financial Position at 31 March 2020 was primarily the result of negative effects of accounting principle IFRS 16, equal to € 14.6 million.

The **adjusted Net Financial Position**¹ of the parent company, was **negative** and equal to approximately **€13.6 million**, € 1.3 million worse than the indebtedness reported at 31 March 2019.

Outlook 2020-21

In a context of still reduced visibility depending on the various possible scenarios determined by the effects of Covid-19, macroeconomic and sector estimates predict a contraction in the Piquadro Group's reference market that cannot be predicted at this stage and, therefore, the elements that contribute to the formulation of forecasts for 2020/2021 remain significantly uncertain as they are linked to the evolution of the pandemic and the consequent reaction of demand in a recessionary context that could continue in the coming months.

In order to mitigate the effects of the economic situation linked to the Covid-19 health emergency, the Piquadro Group has implemented measures to reduce costs, maintain operations and safeguard the liquidity of the Piquadro Group and has adopted adequate safety standards in accordance with regulatory guidelines.

While aware that the 2020/2021 financial year remains very complicated, the Piquadro Group, focusing on its strengths and thanks to the work carried out and the investments executed in the last few years, is convinced that it will quickly resume its path and maintain a positive attitude towards future developments.

This press release presents a few alternative indicators to permit a better assessment of the Group's financial and profit performance. These indicators must not be considered in lieu of the convention indicators required by the IFRS. Specifically, the alternative indicator presented is EBITDA, defined as earnings before depreciation and amortization, financial expense and income, and current income taxes. With regard to the financial statement formats contained in this press release, please note that they include data for which the auditing process has not been completed.



Roberto Trotta, the manager responsible for preparation of the company accounting documents of Piquadro S.p.A., pursuant to Article 154-bis(2) of Legislative Decree 58/1998 (TUF), attests that the accounting data for the fiscal year ended 31 March 2020, as contained in this press release, corresponds to the documentary results and accounting books and registers.

The consolidated financial statement and the parent company financial statement for the year ended 31 March 2020 are subject to revision and the reports on operations and corporate governance and on the ownership structure are subject to the verification by the independent auditors, now in progress.

Report on remuneration and recognized compensation

The Board of Directors today approved the Report on Compensation pursuant to Article 123-ter of the TUF and the implementing directives issued by CONSOB. The Board of Directors also resolved to present and submit to the binding vote of the shareholders at their next meeting the First Section of the Report on remuneration and recognized compensation, which illustrates the company policy on the compensation of directors and managers with strategic responsibilities for the fiscal year ending on 31 March 2021, and to the advisory and non-binding vote of the shareholders the Second Section of the Report relating to the recognized compensation, in accordance with Article 123-ter, paragraphs 3-bis and 6, of the TUF.

Report on Corporate Governance

The Board of Directors today also approved the Report on Corporate Governance and ownership structure for the fiscal year ended 31 March 2020, containing information on the company compliance with the Code of Conduct for Listed Companies promoted by Borsa Italiana S.p.A. and the additional information required by current laws and regulations.

Non-financial Declaration

The Board of Directors, in its meeting today, also approved the Non-financial Declaration in conformity with Legislative Decree no. 254/2016 regarding the communication of non-financial information and diversity of companies and large groups. This document constitutes the evidence and commitment of Piquadro to support the development of an increasingly sustainable business that responds to the needs of its stakeholders.

Calling of the Shareholders Meeting

The Board of Directors meeting today also resolved to convene the general shareholders' meeting for 10 September 2020, on first call, and, failing it, on 14 September 2020, on second call, to approve the financial statements for the year ended 31 March 2020 and:

- to express a binding vote on the First Section of the Report on remuneration and recognized compensation, which illustrates the company policy on the compensation of directors and managers with strategic responsibilities for the fiscal year ending on 31 March 2021, and an advisory and non-binding vote of the shareholders on the Second Section of the Report relating to the recognized compensation, in accordance with Article 123-ter, paragraphs 3-bis and 6, of the TUF;
- to deliberate on the proposed authorization to the Board of Directors to acquire and sell treasury shares.

The call notice of the shareholders meeting will be posted by the company on the company website www.piquadro.com on 29 July 2020 pursuant to law and the Bylaws and on the authorized storage facility Spafid Connect S.p.A., accessible at www.emarketstorage.com. An extract of the notice of convocation will be published on 30 July 2020 in a newspaper distributed nationwide.



Treasury shares

The principal purpose of the request to renew shareholder authorization to the Board of Directors to purchase and sell company shares is to stabilize the company stock and support liquidity but also to create a pool of shares, if the Board of Directors sees a necessity, for possible use of the shares as a consideration in special transactions, including share swapping, with other parties as part of transactions in the company interest, pursuant to market practice no. 2 set forth in CONSOB Resolution 16839/2009. If approved by the shareholders, the Board of Directors proposal states that the Board of Directors is authorized to purchase treasury shares up to the maximum number legally allowed for a period of 12 months from the date of authorization - i.e. until the general meeting to approve the financial statements for the year ended 31 March 2021 - by utilizing the available reserves shown in the latest duly approved financial statements.

These transactions may be effected in one or more installments by purchasing shares pursuant to Article 144-bis(1,b) of the Issuers Regulation in regulated markets following operating procedures established in the regulations for market organization and operation, which prohibit the direct matching of purchase proposals with predetermined sales transactions.

The purchases may be made with procedures other than those indicated in Article 132(3) of the TUF and other directives applicable at the time of the transaction. The purchase price of the shares chosen shall be determined, in each case, following the procedure selected for the transaction and in compliance with laws, regulations and market practices, within a minimum and maximum determined as follows:

- the minimum purchase price must in no case be less than 20% of the reference price at which the stock was quoted in trading on the day preceding each individual transaction.
- the maximum purchase price must in no case be more than 10% above the reference prices at which the stock was quoted in trading on the day preceding each transaction.

If the treasury shares are purchased in compliance with practices allowed for liquidity support, pursuant to market practice no. 1 of CONSOB Resolution 16839/2009, without violating the additional limits it prescribes, the proposed purchase price may not exceed the higher of the price of the latest independent trade and the current trading purchase price present in the market where the purchase proposals are issued.

The proposal of the Board of Directors also includes authorization to sell any purchased treasury shares, in one or more installments, at the price fixed by the Board of Directors not less than 20% of the minimum reference price at which the stock was traded in trading on the day preceding each transaction.

The authorization to sell is also requested from the shareholders effective on the date of shareholder resolution of 10 September 2020 without time limits.

When treasury shares are sold with permitted practices related to market liquidity support, as set forth in point 1 of CONSOB Resolution 16839/2009, and within the additional limits prescribed therein, the price of the proposed sale must not be less than the lower of the price of the latest independent trade and the lowest current offering price for independent sale in the market where the sale is proposed. The company currently holds no treasury shares; the subsidiaries own no shares in the company.

Board of Statutory Auditors Self-assessment

The Board of Directors has announced that, pursuant to Standard Q.1.1 of the "Standards of Conduct for Boards of Statutory Auditors of Listed Companies prepared by the National Council of Chartered Accountants and Accounting Experts in the version that took effect on 28 April 2018", the Board of Statutory Auditors conducted a self-assessment process referring to the 2019-20 fiscal year. For additional details and the results of this self-assessment, please see paragraph 14 of the Report on Corporate Governance and Ownership Structure, which will be made publicly available when and as required by law.

Documents

The Annual Financial Report (including the report on operations, the draft financial statements, and consolidated financial statements for the year ended March 31, 2020) and the Report on Corporate



Governance, will be made publicly available at the registered offices of the company, on the website www.piquadro.com in the Investor Relations section, and at the authorized data storage facility Spafid Connect S.p.A., accessible at www.emarketstorage.com, as required by law.

The Board Report on the request for shareholder approval to purchase and sell company shares will be published with the procedure prescribed by current law—and thus also on the website www.piquadro.com in the Investor Relations section—at the same time as publication of the report on the points of the agenda (Article 125-ter of the TUF) and in any case by the legal deadline. The Report on Compensation required by Article 123-ter of the TUF will be published when and as required by applicable law and will also be available for consultation on the website www.piquadro.com.

Annexes

Balance Sheet, Income Statement, and Statement of Cash Flows, consolidated and for parent company Piquadro S.p.A. The data indicated have not yet been certified and are subject to final verification by the Board of Statutory Auditors of Piquadro S.p.A.

Disclaimer

This press release contains some statements of projection, particularly in the section “Outlook 2020-21”. These statements are based on current expectations and projections of the Group relative to future events and are, by their nature, subject to an intrinsic component of uncertainty. These statements refer to events and depend on circumstances that may or may not occur or exist in the future and, as such, cannot be regarded as fully reliable. The actual results may differ from those contained in the statements due to multiple factors, including market volatility and decline, changes in the prices of raw materials and processing, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in laws and regulations and the institutional context in Italy and abroad, and many other factors most of which are outside Group control.

This press release, issued on 23 July 2020, was prepared in compliance with the Issuers Regulation. It is publicly available at Borsa Italiana S.p.A., on the authorized storage facility Spafid Connect S.p.A., accessible at www.emarketstorage.com, and on the company website (www.piquadro.com) in the “Investor Relations” section.

Summary of Economic-financial data and interpretation of alternative performance indicators (Iap)

The Piquadro Group uses the Alternative Performance Indicators (Iap) in order to effectively transmit information regarding the performance of the profitability of the business in which it operates and to determine its precise asset and financial position. In accordance with the guidelines published on the 5th of October 2015, by the European Securities and Markets Authority (Esma / 2015/1415), and in line with the provisions of the Consob Communication No. 92543 listed on the 3rd of December 2015, the Group provides content and the criterion to determine the Iap used in these financial statements.

- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is an economic indicator that is not defined in the International Accounting Standards. EBITDA is a measure used by Management to monitor and evaluate the Group's operating performance. Management believes that EBITDA is an important parameter for measuring the Group's performance, as it is not influenced by the volatility in regards to the effects of the different criteria that determine taxable income, the amount and characteristics of the capital employed as well as the policies of amortization. EBITDA is defined as the Operating Profit before amortization and depreciation of tangible and intangible assets, financial income and charges and income taxes for the year.
- The adjusted EBITDA is defined as the EBITDA net of the impacts deriving from the implementation of IFRS 16.
- EBIT - Earnings Before Interest and Taxes is the operating profit before financial income and charges and income taxes.



- Adjusted EBIT is defined as EBIT net of the impacts deriving from the application of IFRS 16.
- The Net Financial Position ("NFP") is used as a financial indicator for debt, and is represented as a sum of the following positive and negative components of the financial balance sheet, as required by CONSOB Communication no. 6064293 of 28 July 2006. Positive components: cash and cash equivalents, securities that can be quickly liquidated from current assets, short-term financial receivables. Negative components: debts to banks, payables to other lenders, leasing and factoring companies.
- The adjusted Net Financial Position ("adjusted NFP") is defined as the Net Financial Position net of the impacts deriving from the application of IFRS 16.

Piquadro Group

The Piquadro Group operates in the sector of leather accessories through the Piquadro, The Bridge and Lancel brands. Cornerstones for the three brands is attention to details and the quality of the workmanship as well as the leather but the Piquadro product stands out for its innovative design and technological content, while The Bridge emphasizes the vintage flavor of Tuscan craftsmanship and finally the Lancel collections embody the Parisian allure of a fashion house founded in 1876. The origins of the Group date back to 1987 when Marco Palmieri, now President and Chief Executive Officer, founded his company near Bologna, where it is still headquartered. The distribution network extends over 50 countries around the world and counts 177 outlets including 91 Piquadro boutiques (60 in Italy and 31 abroad including 54 DOS directly operated stores and 37 franchised stores), 12 The Bridge boutiques (12 in Italy including 9 DOS directly operated stores and 3 franchised) and 74 Lancel boutiques (60 in France and 14 abroad, of which 68 DOS directly operated stores and 6 franchised).

The Group's consolidated turnover for the year 2019/2020 ended on March 31, 2020 is € 152.2 million.

Piquadro S.p.A. has been listed on the Italian Stock Exchange since October 2007.

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**Consolidated statement of financial position as at March 31, 2020 and March 31, 2019**

<i>(in thousands of Euro)</i>	March 31, 2020	March 31, 2020 excluding IFRS16	March 31, 2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	2,591	3,743 ²	3,283
Goodwill	4,658	4,658	4,658
Right of Use	50,495	0	0
Property, plant and equipment	13,562	13,562	13,206
Investments	22	22	22
Receivables from others	2,204	2,204	2,252
Deferred tax assets	4,591	3,449	2,448
TOTAL NON-CURRENT ASSETS	78,123	27,638	25,869
CURRENT ASSETS			
Inventories	37,959	37,959	35,820
Trade receivables	26,471	26,471	34,543
Others current assets	6,578	6,578	5,331
Derivative assets	184	184	78
Tax receivables	3,853	3,853	1,690
Cash and cash equivalents	57,550	57,550	52,346
TOTAL CURRENT ASSETS	132,595	132,595	129,808
TOTAL ASSETS	210,718	160,233	155,677

² Key money, which were presented in intangible assets as at March 31, 2019, have been reclassified to right-of-use assets on adoption of IFRS 16 Leases.

**Consolidated statement of financial position as at March 31, 2020 and March 31, 2019**

<i>(in thousands of Euro)</i>	March 31, 2020	March 31, 2020 excluding IFRS16	March 31, 2019
LIABILITIES			
EQUITY			
Share Capital	1,000	1,000	1,000
Share premium reserve	1,000	1,000	1,000
Other reserves	2,264	2,204	2,041
Retained earnings	65,693	65,752	35,159
Group profit for the period	(7,714)	(4,593)	34,534
Total equity attributable to the Group	62,243	65,363	73,734
Capital and Reserves attributable to minority interests	(282)	(282)	(207)
Profit/(loss) for the period attributable to minority interests	(41)	(38)	(59)
Total share attributable to minority interests	(323)	(320)	(266)
TOTAL EQUITY	61,920	65,043	73,468
NON-CURRENT LIABILITIES			
Borrowings	20,501	20,501	13,598
Payables to other lenders for lease agreements	39,243	0	0
Other non current liabilities	6,362	6,362	7,024
Provision for employee benefits	3,751	3,751	3,977
Provision for risk and chargers	2,908	2,908	2,824
Deferred tax liabilities	0	0	0
TOTAL NON-CURRENT LIABILITIES	72,765	33,522	27,423
CURRENT LIABILITIES			
Borrowings	15,433	15,433	7,351
Payables to other lenders for lease agreements	14,365	0	12
Derivative liabilities	17	17	6
Trade Payables	38,681	38,681	36,219
Other current liabilities	7,194	7,194	8,914
Tax payables	343	343	2,284
TOTAL CURRENT LIABILITIES	76,033	61,668	54,786
TOTAL LIABILITIES	148,798	95,190	82,209
TOTAL EQUITY AND LIABILITIES	210,718	160,233	155,677

**Consolidated income statement for the period ended March 31, 2020 and March 31, 2019**

<i>(in thousands of Euro)</i>	Twelve months as of March 31, 2020	% on Revenue	Twelve months as of March 31, 2020 excluding IFRS 16 (*)	% on Revenue	Twelve months as of March 31, 2019	% on Revenue	Var % March 31, 2020 excluding IFRS 16 vs March 31, 2019
REVENUES							
Revenues from sales	152,227	98,1%	152,227	98,1%	147,472	98,8%	3,2%
Other income	2,993	1,9%	2,993	1,9%	1,734	1,2%	72,6%
TOTAL REVENUES (A)	155,220	100,0%	155,220	100,0%	149,206	100,0%	4,0%
OPERATING COSTS							
Change in inventories	(2,386)	(1,5%)	(2,386)	(1,5%)	(328)	(0,2%)	627,4%
Costs for purchases	36,619	23,6%	36,619	23,6%	40,107	26,9%	(8,7%)
Costs for services and leases and rental	65,960	42,5%	78,503	50,6%	70,390	47,2%	11,5%
Personnel costs	40,234	25,9%	40,234	25,9%	38,590	25,9%	4,3%
Amortization, depreciation and write-downs	20,769	13,4%	4,234	3,1%	4,462	3,0%	9,2%
Other operating costs	777	0,5%	777	0,5%	336	0,2%	131,0%
TOTAL OPERATING COSTS (B)	161,973	104,4%	158,619	102,2%	153,557	102,9%	3,3%
OPERATING PROFIT (A-B)	(6,753)	(4,4%)	(3,399)	(2,2%)	(4,351)	(2,9%)	(21,9%)
FINANCIAL INCOME AND COSTS							
Financial income	1,453	0,9%	1,453	0,9%	1,385	0,9%	4,9%
Non-recurring income from acquisition of Lancel Group	0	0,0%	0	0,0%	42,176	28,3%	(100%)
Financial costs	(2,204)	(1,4%)	(1,293)	(0,8%)	(2,129)	(1,4%)	(39,3%)
TOTAL FINANCIAL INCOME AND COSTS	(751)	(0,5%)	160	0,1%	41,432	27,8%	(99,6%)
RESULT BEFORE TAX	(7,504)	(4,8%)	(3,239)	(4,8%)	37,081	24,9%	(108,7%)
Income tax	(251)	(0,2%)	(1,392)	(0,9%)	(2,605)	(1,7%)	(46,5%)
PROFIT FOR THE PERIOD	(7,755)	(5,0%)	(4,631)	(3,0%)	34,476	23,1%	(113,4%)
attributable to:							
EQUITY HOLDERS OF THE COMPANY	(7,714)	(5,0%)	(4,593)	(3,0%)	34,535	23,1%	(113,3%)
MINORITY INTERESTS	(41)	(0,0%)	(38)	(0,0%)	(59)	(0,0%)	35,6%
(Basic) EARNING PER SHARE	(0,155)		(0,093)		0,690		
EBITDA	13,047	8,4%	504	0,3%	(828)	(0,6%)	160,9%

(*) The economic financial data in the column "12 months at March 31, 2020 excluding IFRS 16", referencing to the operating result, EBITDA and net result for the period, have been determined excluding the impacts deriving from the implementation of the new accounting standard IFRS 16.

**Consolidated cash flow statement as at March 31, 2020 and March 31, 2019**

(in thousands of Euro)	March 31, 2020	March 31, 2019
Profit before tax	(7,504)	37,081
Adjustments for:	3,216	
Depreciation of property, plant and equipment/Amortisation of intangible assets	138	2,970
Write-downs of property, plant and equipment and intangible assets	12,523	553
Depreciation of Right of Use	3,923	0
Write-downs of Right of Use	969	0
Provision for bad debts	0	938
Non-recurring income from acquisition of Lancel Group	751	(42,176)
Net financial costs/(income), including foreign exchange differences	14,016	744
Cash flow from operating activities before changes in working capital		111
	7,103	
Change in trade receivables (net of the provision)	(2,139)	(5,435)
Change in inventories	(1,199)	(750)
Change in other current assets	1,871	934
Change in trade payables	(74)	2,399
Change in provisions for risks and charges	(2,382)	202
Change in other current liabilities	(4,448)	725
Change in tax receivables/payables	12,747	385
Cash flow from operating activities after changes in working capital	(2,049)	(1,430)
Taxes paid	(160)	(2,769)
Interest paid	10,538	(744)
Cash flow generated from operating activities (A)		(4,942)
Cash and cash equivalents acquired net of purchase price of Maison Lancel	0	43,817
Investments in intangible assets	(51)	(869)
Disinvestments from intangible assets	0	80
Investments in tangible assets	(2,968)	(4,285)
Disinvestments from property, plant and equipment	0	64
Investments in investments	0	(20)
Changes generated from investing activities (B)	(3,018)	38,787
Financing activities		
Change in short-and medium/long-term borrowings	14,985	(2,524)
- New loans	22,000	10,000
- Other variations	(7,015)	(12,524)
Changes in financial instruments	(26)	(64)
Lease instalments paid	(13,344)	(904)
Other minor changes	0	(60)
Dividends paid	(4,000)	(3,000)
Cash flow generated from/(absorbed by) financing activities (C)	(2,385)	(6,552)
Change in the translation reserve (D)	70	1,502
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	5,204	28,794
Cash and cash equivalents at the beginning of the period	52,346	23,552
Cash and cash equivalents at the end of the period	57,550	52,346

**Separate statement of financial position of Piquadro S,p,A, as at March 31,
2020 and March 31, 2019**

(in thousands of Euro)	March 31, 2020	March 31, 2020 excluding IFRS16	March 31, 2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	699	1,482 ³	1,334
Right of Use	14,817	0	0
Property, plant and equipment	8,487	8,487	8,275
Financial assets	14,055	14,055	14,055
Receivables from others	426	426	368
Receivables group company	9,800	9,800	8,325
Deferred tax assets	1,597	1,459	1,045
TOTAL NON-CURRENT ASSETS	49,881	35,709	33,401
CURRENT ASSETS			
Inventories	15,839	15,839	13,491
Trade receivables	18,375	18,375	22,756
Receivables due from group companies	7,999	7,999	7,307
Others current assets	2,415	2,415	1,224
Receivables for derivative financial instruments	184	184	78
Tax receivables	1,051	1,051	146
Cash and cash equivalents	26,073	26,073	14,041
TOTAL CURRENT ASSETS	71,937	71,937	59,043
TOTAL ASSETS	121,819	107,647	92,445

³ Key money, which were presented in intangible assets as at March 31, 2019, have been reclassified to right-of-use assets on adoption of IFRS 16 Leases.

**Separate statement of financial position of Piquadro S,p,A, as at March 31, 2020 and March 31, 2019**

(in thousands of Euro)	March 31, 2020	March 31, 2020 excluding IFRS16	March 31, 2019
LIABILITIES			
EQUITY			
Share Capital	1,000	1,000	1,000
Share premium reserve	1,000	1,000	1,000
Other reserves	1,396	1,396	1,290
Retained earnings	35,407	35,407	33,979
Group profit for the exercise	3,374	3,810	5,428
EQUITY	42,177	42,613	42,697
NON-CURRENT LIABILITIES			
Borrowings	20,468	20,468	13,598
Payables to other lenders for lease agreements	11,115	0	0
Other non current liabilities	3,939	3,939	4,818
Provision for employee benefits	240	240	294
Provision for risk and chargers	1,571	1,571	1,380
TOTAL NON-CURRENT LIABILITIES	37,332	26,217	21,091
CURRENT LIABILITIES			
Borrowings	15,243	15,243	7,174
Payables to other lenders for lease agreements	3,496	2	0
Trade Payables	16,489	16,486	13,420
Payables due to group companies	4,562	4,562	4,043
Payables for derivative financial instruments	17	17	6
Other current liabilities	2,161	2,161	2,819
Current income tax liabilities	342	342	2,196
TOTAL CURRENT LIABILITIES	42,310	38,816	28,657
TOTAL LIABILITIES	79,642	79,642	49,748
TOTAL EQUITY AND LIABILITIES	121,819	107,647	92,445



Separate income statement of Piquadro S,p,A, for the period ended March 31, 2020 and March 31, 2019

(In thousands of Euro)	Twelve months as of March 31, 2020	% on Revenue	Twelve months as of March 31, 2020 excluding IFRS16 (*)	% on Revenue	Twelve months as of March 31, 2019	% on Revenue	Var % March 31, 2020 excluding IFRS16 vs March 31, 2019
REVENUES							
Revenues from sales	69,717	93,9%	69,717	93,9%	72,792	96,7%	(4,2%)
Other income	4,496	6,1%	4,496	6,1%	2,445	3,3%	83,9%
TOTAL REVENUES (A)	74,214	100,0%	74,214	100,0%	75,237	100,0%	(1,4%)
OPERATING COSTS							
Change in inventories	(2,348)	(3,2%)	(2,348)	(3,2%)	(989)	(1,3%)	137,3%
Costs for purchases	26,179	35,3%	26,179	35,3%	22,782	30,3%	14,9%
Costs for services and leases and rental	26,140	35,2%	30,119	40,6%	29,820	39,6%	1,0%
Personnel costs	12,926	17,4%	12,926	17,4%	12,630	16,8%	2,3%
Amortisation, depreciation and write-downs	6,898	9,3%	2,747	3,7%	2,920	3,9%	(5,9%)
Other operating costs	330	0,4%	330	0,4%	265	0,4%	24,8%
TOTAL OPERATING COSTS (B)	70,124	94,5%	69,952	94,3%	67,427	89,6%	3,7%
OPERATING PROFIT (A-B)	4,089	5,5%	4,261	5,7%	7,810	10,4%	(45,4%)
FINANCIAL INCOME AND CHARGES							
Earning (losses) from Financial assets	(167)	(0,2%)	(167)	(0,2%)	(175)	(0,2%)	(4,7%)
Financial income	1,463	2,0%	1,463	2,0%	1,051	1,4%	39,1%
Financial charges	(792)	(1,1%)	(390)	(0,5%)	(591)	(0,8%)	(34,1%)
TOTAL FINANCIAL INCOME AND CHARGES	504	0,7%	907	1,2%	284	0,4%	219,0%
PRE-TAX RESULT	4,593	6,2%	5,168	7,0%	8,094	10,8%	(36,2%)
Income tax expenses	(1,220)	(1,6%)	(1,357)	1,8%	(2,667)	(3,5%)	(49,1%)
PROFIT FOR THE PERIOD	3,374	4,5%	3,810	5,1%	5,428	7,2%	(29,8%)
EBITDA	10,387	14,0%	6,408	8,6%	9,544	12,7%	(32,9%)

(*) The economic financial data in the column "12 months at March 31, 2020 excluding IFRS 16", referencing to the operating result, EBITDA and net result for the period, have been determined excluding the impacts deriving from the implementation of the new accounting standard IFRS 16.

**Piquadro S,p,A, cash flow statement as at March 31, 2020 and March 31, 2019**

(in thousands of Euro)	March 31, 2020	March 31, 2019
Pre-tax profit	4,593	8,094
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	1,485	1,734
Write off tangible and intangible assets	66	0
Depreciation of Right of Use	3,896	0
Write-downs of Right of Use	853	0
Other provisions	111	0
Provision for bad debts	600	1,186
revaluation of equity investments	167	174
Adjustment to the provision for employee benefits	618	4
Net financial charges (income), including exchange rate differences	(671)	(460)
Cash flow from operating activities before changes in working capital	11,719	10,734
Change in trade receivables (net of the provision)	3,781	(2,990)
Change in trade receivables (group companies)	(2,167)	(3,439)
Change in inventories	(2,348)	(989)
Change in other current assets	(1,249)	787
Change in trade payables	3,793	58
Change in trade payables (group companies)	519	1,203
Change in provisions for risks and charges	(904)	128
Change in other current liabilities	(1,537)	3,395
Change in tax receivables/payables	(2,759)	(173)
Cash flow from operating activities after changes in working capital	8,847	8,714
Payment of taxes	(1,628)	(2,775)
Interest paid	(53)	460
Cash flow generated from operating activities (A)	7,167	6,399
Investments in intangible assets	(714)	(197)
Investments in property, plant and equipment	0	(888)
Disinvestments in property, plant and equipment	(1,355)	40
Investments in financial assets	0	(20)
Disinvestments in financial assets	0	0
Investments for Lancel International acquisition	0	(5,292)
Changes generated from investing activities (B)	(2,069)	(5,473)
Financing activities		
Repayment and registering of borrowings	14,939	(2,532)
- New loans	22,000	10,000
- Other variations	(7,062)	(12,532)
Changes in derivative financial instruments	11	(69)
Lease instalments paid	(4,015)	(830)
Payment of dividends	(4,000)	(3,000)
Cash flow generated from/(absorbed by) financing activities (C)	6,934	(6,432)
Net increase (decrease) in cash and cash equivalents (A+B+C)	12,032	(5,505)
Cash and cash equivalents at the beginning of the period	14,041	19,546
Cash and cash equivalents at the end of the period	26,073	14,041

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